



Honworld Group Limited
老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2226

老
恒
和

Annual Report 年報

2014

** For identification purposes only 僅供識別*

“LAO HENG HE”, A BRAND WITH A HISTORY OF MORE THAN 140 YEARS
PANAMA — PACIFIC INTERNATIONAL EXPOSITION GOLD AWARD FOR
CONDIMENT PRODUCTS

「老恒和」，源自傳承，品牌歷史超過140年
巴拿馬博覽會金獎產品



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FINANCIAL HIGHLIGHTS

財務摘要

- Revenue for the year ended 31 December 2014 amounted to approximately RMB668.4 million, representing an increase of 26.0% from approximately RMB530.4 million recorded in 2013.
- Gross profit for the year ended 31 December 2014 amounted to approximately RMB386.5 million, representing an increase of 23.5% from approximately RMB313.1 million recorded in 2013.
- Profit attributable to ordinary equity holders of the Company for the year ended 31 December 2014 amounted to approximately RMB211.6 million, representing an increase of 21.5% from approximately RMB174.2 million recorded in 2013.
- The Board has recommended the payment of a final dividend of RMB10.0 cents per ordinary share for 2014.
- 截至二零一四年十二月三十一日止年度的收入為約人民幣668.4百萬元，較二零一三年錄得的約人民幣530.4百萬元增長26.0%。
- 截至二零一四年十二月三十一日止年度的毛利為約人民幣386.5百萬元，較二零一三年錄得的約人民幣313.1百萬元增長23.5%。
- 截至二零一四年十二月三十一日止年度本公司普通權益持有人應佔利潤約為人民幣211.6百萬元，較二零一三年錄得的約人民幣174.2百萬元增長21.5%。
- 董事會已建議就二零一四年派付期末股息每股普通股人民幣10.0分。

FINANCIAL SUMMARY (5 YEARS)

財務概要(5年)

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

For the year ended 31 December

截至十二月三十一日止年度

		2014	2013	2012	2011	2010
		二零一四年	二零一三年	二零一二年	二零一一年	二零一零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
REVENUE	收入	668,426	530,433	337,125	109,492	36,297
Cost of sales	銷售成本	(281,928)	(217,364)	(144,226)	(63,250)	(22,910)
Gross profit	毛利	386,498	313,069	192,899	46,242	13,387
Other income and gains	其他收入及收益	5,877	11,519	5,051	10,514	2,034
Selling and distribution expenses	銷售及經銷開支	(40,338)	(25,679)	(24,104)	(16,283)	(1,339)
Administrative expenses	行政開支	(81,444)	(74,094)	(22,899)	(988)	(970)
Other expenses	其他開支	(1,512)	(17)	(35)	(59)	(1,094)
Finance costs	融資成本	(22,858)	(17,646)	(15,463)	(11,752)	(3,597)
PROFIT BEFORE TAX	除稅前利潤	246,223	207,152	135,449	27,674	8,421
Income tax expense	所得稅開支	(34,620)	(32,945)	(37,011)	(7,460)	(2,139)
PROFIT FOR THE YEAR	年內利潤	211,603	174,207	98,438	20,214	6,282
Attributable to: ordinary equity holders of the Company	下列人士應佔： 本公司普通權益 擁有人	211,603	174,207	98,438	20,214	6,282

FINANCIAL SUMMARY (5 YEARS) (CONTINUED)

財務概要(5年)(續)

ASSETS, LIABILITIES AND TOTAL EQUITY 資產、負債及權益總額

		As at 31 December 於十二月三十一日				
		2014	2013	2012	2011	2010
		二零一四年	二零一三年	二零一二年	二零一一年	二零一零年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
TOTAL ASSETS	資產總值	1,936,466	728,669	478,197	294,563	126,179
TOTAL LIABILITIES	負債總額	(682,062)	(432,343)	(345,087)	(258,891)	(110,721)
TOTAL EQUITY	權益總額	1,254,404	296,326	133,110	35,672	15,458

CHAIRMAN'S STATEMENT

主席報告

It is a great honour for me, on behalf of the board of directors (the “**Board**”) of Honworld Group Limited (the “**Company**” or “**Lao Heng He**”), to present the annual report of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2014.

RESULTS HIGHLIGHT

Profit attributable to the ordinary equity holders of the Company for the year ended 31 December 2014 amounted to approximately RMB211.6 million, representing an increase of 21.5% from approximately RMB174.2 million recorded in 2013.

Basic earnings per share of the Company (the “**Share**” or “**Shares**”) decreased from RMB46.5 cents per Share for 2013 to RMB41.8 cents per Share for 2014. Decrease in earnings per share was attributable to the new Shares of the Company issued upon the initial public offering (the “**IPO**”) on 28 January 2014 (the “**Listing Date**”) and the new Shares issued upon exercise of the over-allotment option on 13 February 2014 that resulted in an enlarged share capital.

The Board has recommended the payment of a final dividend of RMB10.0 cents per Share for the year ended 31 December 2014, subject to Shareholders’ approval at the 2015 annual general meeting (the “**AGM**”).

BUSINESS REVIEW

The Group is one of the leading manufacturers of cooking wine in the People’s Republic of China (the “**PRC**” or “**China**”). The Group offers high-quality and healthy cooking wine as well as other condiments, including soy sauce and vinegar.

According to fmcgchina.com (快消品年度指南) issued in January 2015, Lao Heng He is ranked number one in the offline cooking wine sales in China market in 2014 by sales value.

In 2014, the Group recorded strong growth in various grades of cooking wine and vinegar as compared to the previous year. The strong growth is a good testimony to the effective distribution and pricing strategies implemented by the Group in 2014.

本人非常榮幸地代表老恒和釀造有限公司（「**本公司**」或「**老恒和**」）董事會（「**董事會**」），提呈本公司及其子公司（統稱「**本集團**」）截至二零一四年十二月三十一日止財年的年報。

業績摘要

截至二零一四年十二月三十一日止年度本公司普通權益持有人應佔利潤約為人民幣211.6百萬元，較二零一三年錄得的約人民幣174.2百萬元增長21.5%。

本公司股份（「**股份**」）每股基本盈利由二零一三年的每股人民幣46.5分減少至二零一四年的每股人民幣41.8分。每股盈利的減少乃歸因於本公司於二零一四年一月二十八日（「**上市日期**」）首次公開發售（「**首次公開發售**」）後發行本公司新股份及於二零一四年二月十三日因超額配股權獲行使而發行新股份之經擴大股本所致。

董事會已建議派付期截至二零一四年十二月三十一日止年度末股息每股人民幣10.0分，惟須經股東於二零一五年股東週年大會（「**股東週年大會**」）上批准方可作實。

業務回顧

本集團是中華人民共和國（「**中國**」）其中一間領先料酒生產商。本集團供應優質、健康的料酒及包括醬油和醋在內的其他調味品。

根據二零一五年一月頒佈之快消品年度指南，老恒和於二零一四年中國綫下料酒銷售市場中之銷售額排名第一位。

二零一四年，本集團各檔次的料酒及醋均比上年度錄得強勁增長。此強勁增長充分體現本集團於二零一四年推行的分銷及定價策略上顯著有效。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

For the year ended 31 December 2014, the Group's revenue reached approximately RMB668.4 million (2013: RMB530.4 million), representing an increase of approximately 26.0% over the previous year. Profit before tax was approximately RMB246.2 million for the year ended 31 December 2014 (2013: RMB207.2 million), representing an increase of approximately 18.9% over 2013. Profit attributable to the ordinary equity holders of the Company was approximately RMB211.6 million for the year ended 31 December 2014 (2013: RMB174.2 million), representing an increase of approximately 21.5% over 2013.

The Group's key product, cooking wine, continues to be our major source of revenue, representing approximately 70.8% of the total revenue. The encouraging result is attributable to various key drivers of the PRC cooking wine market, including: 1) growing urban population and rising purchasing power; 2) increasing health and food safety awareness; 3) gradual convergence of consumer taste and demand; and 4) the rapid growth in demand for better-quality cooking wine over the past few years.

The Group has continued to increase its investments in production and use naturally-brewed yellow rice wine as a base to manufacture various grades of cooking wine. Notably, there is a significant upside on consumer demands for naturally-brewed and better-quality cooking wine.

The Group has gained wider recognition among consumers for its quality products. With the continuing expansion of the products' sales channels and the increasing resources allocated to the Group's development, the Group has not only attained the status of Hi-tech Enterprise, but also maneuvered itself into a favorable position to promote the traditional recipes during the process of industrialized production and supply healthy and quality condiments to consumers. Therefore, the Group is optimistic about the long term outlook for cooking wine demand going forward, particularly for the premium and high-end cooking wine products.

截至二零一四年十二月三十一日止年度，本集團收入達到約人民幣668.4百萬元(二零一三年：人民幣530.4百萬元)，較之前年度增長約26.0%。截至二零一四年十二月三十一日止年度除稅前利潤約為人民幣246.2百萬元(二零一三年：人民幣207.2百萬元)，較二零一三年增長約18.9%。截至二零一四年十二月三十一日止年度本公司普通權益持有人應佔利潤約為人民幣211.6百萬元(二零一三年：人民幣174.2百萬元)，較二零一三年增長約21.5%。

本集團的主要產品料酒繼續為我們的主要收入來源，佔總收入約70.8%。業績令人鼓舞，乃由於推動中國料酒市場增長的多個關鍵因素所致，包括：1) 城市人口增加及購買力提高；2) 健康及食品安全意識增強；3) 消費者的口味及需求逐漸趨同；及4) 過去幾年市場對優質料酒的需求快速增長。

本集團不斷加大生產投入，使用天然釀造料酒作為基酒生產各檔次料酒。顯然，消費者對天然釀造的優質料酒的需求有顯著的上升空間。

本集團的產品品質日益被廣大消費者接受。在產品銷售渠道不斷拓展，同時本集團不斷投入資源下，不僅幫助本集團取得了高新技術企業認證資格，也幫助本集團有條件在工業化生產過程中發揚傳統配方的優勢，為消費者提供健康優質調味品。因此，本集團看好未來料酒需求的長期前景，尤其是特級及高端料酒產品。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

However, the Group does face certain risks in its production and business development, which include: 1) risk of significant increase in the cost of production, such as increase in the prices of agricultural sideline products, packaging cost or labour cost; 2) negative impact on our sales due to the changing consumer habits for Chinese food; 3) the greater-than-expected cost pressure from market expansion; 4) Category A and B distributors' (as defined in the prospectus issued by the Company on 16 January 2014 ("Prospectus")) operational risks may negatively impact on our sales channels, due to our increasing sales to Category A and B distributors; and 5) the possibility of failure of our new products to obtain market recognition.

We see a trend of increasing number of Chinese consumers choosing quality products with greater brand recognition. Chinese consumers are attaching a greater importance to quality and food safety, and are more willing to pay higher price for premium quality products.

The Group's profitability is mainly affected by the product price and its cost of sales, the product structure and mix, and the relevant domestic policies. However, benefited from internal factors such as the Group's timely stockpiling of base wine, growing brand influence, and its attainment of Hi-tech Enterprise status, as well as external factors such as rising purchasing power of consumers, the growing popularity of healthy products and the increasing market capacity, we have offset most of the impact from these risk factors and continued to achieve strong growth in both revenue and profit.

In order to widen our potential shareholder base over the long term, on 2 September 2014, the Company successfully issued 100,000,000 warrants to an independent investor at the issue price of HK\$0.10 per warrant whereas the subscription price is HK\$8.00 per subscription Share upon the exercise of the relevant warrants. As at the date of this annual report, no warrants have been exercised.

然而，本集團在生產發展過程中同樣面臨一定風險，包括：1) 生產成本大幅上漲的風險，如農副產品價格、包裝成本或勞工成本增加；2) 消費者消費中餐的習慣的轉變，為我們的銷售帶來負面影響；3) 市場的拓展成本壓力較公司預計大；4) 由於向A類及B類經銷商(定義見本公司於二零一四年一月十六日刊發之招股章程(「招股章程」))銷售的比重增大，A類及B類經銷商的經營風險可能對我們的銷售渠道帶來負面影響；及5) 我們的新產品可能未能獲得市場認可。

我們看到越來越多的中國消費者選擇品牌知名度較高，品質優異的產品的趨勢。中國消費者日益注重品質及食物安全的重要性，更願意支付較高價格購買優質產品。

本集團的盈利能力主要受產品訂價及其銷售成本、產品架構及組合，以及相關國內政策所影響。然而，受惠於本集團基酒儲備及時、品牌影響力增加及其獲得高新技術企業認定等內在因素，以及如消費者購買力提升、對健康產品日益關注及市場容量不斷增加等外在因素，我們抵銷了大部分該等風險因素的影響，並繼續錄得收入和利潤雙雙強勁增長。

為擴大公司長期潛在股東基礎，於二零一四年九月二日，本公司成功向獨立投資者以發行價每份認股權證0.10港元發行100,000,000份認股權證，而行使有關認股權證後，認購價則為每股認購股份8.00港元。於本年報日期，概無認股權證獲行使。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

FUTURE PROSPECTS

In 2014, we saw the continuous slowdown of China's macroeconomic growth, with China's GDP growth at 7.4% in 2014. We believe the "economic new normal" as advocated by China's president will become the consensus of the government and the private sectors for the next few years.

Looking ahead, despite the uncertainty in the global and domestic economic conditions, China's GDP is expected to grow at a relatively steady pace. Riding on China's steady economic growth, sustained growth in China's disposable income, an increase in consumer spending in the PRC and the increasing health and food safety awareness which gave rise to more discerning consumers, the Company believes our products under the "Lao Heng He" brand will achieve rapid growth in the PRC.

Leveraging the Group's well known heritage condiment brand "Lao Heng He" which dates back to 140 years ago, extensive distribution network and strong relationship with key distributors, the Group is determined to capture the opportunities brought by these healthy market trends.

We have expanded our production and storage facility at our plants in Huzhou City, Zhejiang Province in 2014. We have added new cooking wine production workshops, purchased new production equipment, and implemented various technical improvements to the production lines. At the same time, we have added three new warehouses to hold our base wine.

As at 31 December 2014, our stock of base wine increased to approximately 158.4 million liters and we plan to increase the Group's stock of base wine to approximately 225.0 million liters by the time when the fermentation season of 2015 ends. The Group will also continue to improve its research and development capabilities to focus on standardization of production process, new product development and product improvement.

Furthermore, we will look for suitable merger and acquisition opportunities to enhance our production capacity and product portfolio, which will bring long-term strategic and economic value to the Group. We are determined to maintain ourselves as one of the leading condiment producers in China.

未來前景

於二零一四年，我們目睹中國宏觀經濟持續放緩，而二零一四年中國國內生產總值增長為7.4%。我們相信中國國家主席倡議的「經濟新常態」於未來數年將成為政府與民間的共識。

展望未來，儘管全球及本地經濟環境存在不明朗因素，預期中國的國內生產總值將繼續相對穩定增長。憑藉中國經濟穩定增長、中國可支配收入持續增長配合中國消費者支出增長、健康及食品安全意識增強導致消費者消費升級，本公司認為我們的「老恒和」牌產品將在中國快速增長。

憑藉本集團可追溯到140年前的著名調味品老字號「老恒和」、廣闊的經銷網絡及與主要經銷商的牢固關係，本集團決心在健康的市場發展趨勢下把握機遇。

於二零一四年，本集團擴充位於浙江省湖州市的廠房內的生產及儲存設施。我們已增設新的料酒生產工作坊、購置新的生產設備，並對生產線推行多項技術改進措施。同時，我們增設三個新倉庫以存放基酒。

在二零一四年十二月三十一日，我們的基酒庫存量提高至約158.4百萬升。二零一五年釀酒期結束後我們計劃本集團基酒庫存量提高至約225.0百萬升。本集團亦將繼續提升其研究及開發能力，專注於生產流程標準化、新產品開發及產品改良。

此外，我們將物色合適的併購商機並希望藉此提高產能及產品組合，並為本集團帶來策略及經濟上的長遠價值。我們決心保持作為中國領先的調味品生產商的地位。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

GOALS AND STRATEGIES

In 2015, we will focus on the strategy of providing natural premium healthy condiments to our consumers and adhere to the long-term growth strategy which is based on the following core value: focus on providing natural, healthy and quality condiments and actively seek to rejuvenate and develop the traditional quality condiments.

We will endeavour to continue to streamline our cooking wine and soy sauce portfolio. Through continuous research and development of natural and healthy products, we aim at creating a brand image of premium quality for "Lao Heng He", thereby strengthening the Group's competitiveness in China's cooking wine market as well as providing consumers with more choices of healthy condiments.

The Group's operational goal is to maintain and fortify its leadership position in the cooking wine industry, continue to expand the distribution network of the Group's cooking wine products in the national market (among key cities and consumers), increase our corporate sales and enlarge the market share in the naturally-brewed cooking wine industry.

The Group also aims at introducing new condiment products through research and development and innovation of traditional production techniques and increasing the quality and profit margin of its condiment products. In addition, the Group will leverage the current stable agricultural product prices to accelerate the process of increasing the stock of base wine in earthen jars which, on one hand, can guard against the predicted risks of future price increase of agricultural products and, on the other hand, can provide enough base wine in earthen jars for the Group's rapid development in the future.

The Group's operational targets focus on: (i) maintaining customer satisfaction and market leader position in its product offerings; (ii) maintaining the flexibility in adapting to the local operating environment and establishing an effective customer feedback system to implement the "customer first and customer-oriented" marketing philosophy with more resources allocated to meet the needs of the end customers.

It is also the Group's operation goal to remain faithful to its core values, inherit and develop the traditional production method, establish a management system where product quality and safety comes first. To achieve this, the Group has stringent control over the whole production and supply chain and will continue to apply both traditional and modern production methods to deliver high quality and safety products to our customers.

目標及策略

於二零一五年，我們將採取專注於向消費者提供天然特級健康調味品的策略，並貫徹以下核心價值為基礎的長期增長策略：以天然、健康、優質作為調味品企業的標準，積極探索傳統優質調味品的復興和發展。

我們將致力於繼續精簡我們的料酒、醬油等產品組合，繼續研發天然健康產品，為「老恒和」樹立優質產品品牌形象，加強本集團在中國料酒市場中的競爭力，更多的為消費者提供健康調味品的選擇目標。

本集團經營的目標繼續和鞏固我們在料酒行業的龍頭地位，繼續擴大本集團料酒產品分銷網絡在全國市場（重點城市和人群）的市場佔有率，提高我們企業銷售份額及提升天然釀造廚用酒行業的份額。

本集團經營的目標通過對傳統生產技術的研發和創新，不斷使公司在其他調味品上推陳出新，並提升其調味品的品質和獲利空間，此外，本集團將借助利用現階段農產品價格較為穩定的時機，加快壇裝基酒的儲備，在抵禦預測未來農產品價格上漲風險的同時，做好本集團未來快速發展壇裝基酒的儲備基礎。

本集團經營的目標集中於：(i) 保持顧客滿意度及產品供應之市場領導地位；(ii) 保持對當地經營環境的靈活應對能力，同時建立有效的客戶回應體系，落實「顧客至上、以客為尊」的行銷理念，將更多資源投放在終端消費者的需求上。

本集團經營的目標是重視企業核心價值、繼承及發展傳統生產方法、建立以產品品質與安全為先的營運管理體系：嚴格管控整個生產供應鏈及將繼續採用傳統與現代生產方法相結合，向我們的客戶提供高品質與安全產品。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

The Group would also target to recruit local talents to join our operation, focusing on providing training to our employees, and lead the Group to become an international group. With this goal in mind, the Group will recruit and nurture local talents and offer a suitable platform for our employees to fully develop their potential.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our Shareholders, Board members, management team and all our employees, as well as our business partners and customers for their continuous support and contribution to the Group.

Chen Weizhong

Chairman of the Board

27 March 2015

本集團亦致力招聘當地人才加入我們營運，專注向我們的僱員提供培訓，並帶領本集團成為國際化集團。秉持此目標，本集團將：就地選才、育才，務求人盡其才、才有所用。

感謝

本人謹藉此機會由衷感謝我們的股東、董事會成員、管理團隊及全體員工，以及我們業務夥伴及客戶對本集團一如既往的支持和貢獻。

陳衛忠

董事會主席

二零一五年三月二十七日

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Weizhong (*Chairman and CEO*)
Mr. Sheng Mingjian
Mr. Wang Chao

Non-executive Director

Mr. Zhang Bihong

Independent Non-executive Directors

Mr. Shen Zhenchang
Mr. Lei Jiasu
Mr. Ma Chaosong

COMPANY SECRETARY

Mr. Au Wai Keung

AUTHORISED REPRESENTATIVES

Mr. Chen Weizhong
Mr. Au Wai Keung

AUDIT COMMITTEE

Mr. Ma Chaosong (*Chairman*)
Mr. Lei Jiasu
Mr. Shen Zhenchang

REMUNERATION COMMITTEE

Mr. Shen Zhenchang (*Chairman*)
Mr. Lei Jiasu
Mr. Ma Chaosong

董事會

執行董事

陳衛忠先生(主席及首席執行官)
盛明健先生
王超先生

非執行董事

張弼弘先生

獨立非執行董事

沈振昌先生
雷家驕先生
馬朝松先生

公司秘書

區偉強先生

授權代表

陳衛忠先生
區偉強先生

審核委員會

馬朝松先生(主席)
雷家驕先生
沈振昌先生

薪酬委員會

沈振昌先生(主席)
雷家驕先生
馬朝松先生

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

NOMINATION COMMITTEE

Mr. Lei Jiasu (*Chairman*)
Mr. Ma Chaosong
Mr. Shen Zhenchang

提名委員會

雷家驊先生(主席)
馬朝松先生
沈振昌先生

AUDITORS

Ernst & Young
Certified Public Accountants
22nd Floor
1 Tim Mei Avenue
Central
Hong Kong

核數師

安永會計師事務所
執業會計師
香港
中環
添美道1號
22樓

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Balidian Town
Food and Industrial Park
Wuxing District, Huzhou City
Zhejiang 313000, PRC

中國總部及主要營業地點

中國浙江省
湖州市吳興區
八里店鎮食品工業園
郵編：313000

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 606-607, 6th Floor
China Merchants Building
152-155 Connaught Road Central
Sheung Wan
Hong Kong

香港主要營業地點

香港
上環
干諾道中152-155號
招商局大廈·6樓
606-607室

CORPORATE INFORMATION (CONTINUED) 公司資料(續)

PRINCIPAL BANKERS

Shanghai Pudong Development Bank Co., Ltd.
Huzhou Branch
No. 120, Tiyuchang Road
Huzhou City, Zhejiang Province
PRC

Industrial and Commercial Bank of China Limited
Zhili Branch
No. 583, 587, 589 Zhenbei Road
Zhili Town
Huzhou City, Zhejiang Province
PRC

Bank of Jiaxing Co., Ltd.
No. 409, Jianguo South Road
Jiaxing City, Zhejiang Province
PRC

COMPLIANCE ADVISOR

TC Capital Asia Limited
Suite 1904, 19/F, Tower 6, The Gateway
Harbour City, TST
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

主要往來銀行

上海浦東發展銀行股份有限公司
湖州支行
中國
浙江省湖州市
體育場路120號

中國工商銀行股份有限公司
織里支行
中國
浙江省湖州市
織里鎮
珍貝路583、587、589號

嘉興銀行股份有限公司
中國
浙江省嘉興市
建國南路409號

合規顧問

天財資本亞洲有限公司
香港九龍
尖沙咀海港城
港威大廈第6座19樓1904室

主要股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712–1716號室

STOCK CODE

Stock code: 2226
Board lot: 500 shares

股份代號

股份代號：2226
買賣單位：500股

WEBSITE

<http://www.hzlaohenghe.com>

網址

<http://www.hzlaohenghe.com>

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Below are brief profiles of the current directors (“**Directors**”, each a “**Director**”) and senior management of the Group.

以下載列本集團現任董事(「**董事**」)及高級管理層的簡介。

Name 姓名	Age 年齡	Position 職位	Date of appointment as Director 獲委任為董事日期
Executive Directors 執行董事			
Chen Weizhong 陳衛忠	43	Chairman of the Board, executive Director and chief executive officer 董事會主席、執行董事及首席執行官	13 May 2013 二零一三年五月十三日
Sheng Mingjian 盛明健	40	Executive Director and vice general manager 執行董事及副總經理	17 December 2013 二零一三年十二月十七日
Wang Chao 王超	37	Executive Director and managing director of sales and marketing 執行董事及銷售及市場推廣董事總經理	17 December 2013 二零一三年十二月十七日
Non-executive Director 非執行董事			
Zhang Bihong 張弼弘	39	Non-executive Director 非執行董事	17 December 2013 二零一三年十二月十七日
Independent non-executive Directors 獨立非執行董事			
Shen Zhenchang 沈振昌	68	Independent non-executive Director 獨立非執行董事	17 December 2013 二零一三年十二月十七日
Lei Jiasu 雷家驩	59	Independent non-executive Director 獨立非執行董事	17 December 2013 二零一三年十二月十七日
Ma Chaosong 馬朝松	42	Independent non-executive Director 獨立非執行董事	17 December 2013 二零一三年十二月十七日

EXECUTIVE DIRECTORS

Mr. Chen Weizhong (陳衛忠), aged 43, is the chairman of the Board, founder, chief executive officer (“**CEO**”) of the Group and the executive Director. He is primarily responsible for our Group’s overall strategic planning, recipes use and control, distribution network expansion and overall business operations. He has over 20 years of experience in the condiment industry in the PRC and possesses unique information regarding the research, development and intellectual property related to our products, including the trade-secret recipes of fermentation starter and cooking wine spices.

執行董事

陳衛忠先生，43歲，為董事會主席、本集團創始人、首席執行官(「**首席執行官**」)及執行董事。彼主要負責本集團的整體策略規劃、配方運用及控制、經銷網絡擴張及總體業務經營。彼在中國的調味品行業擁有逾20年的經驗，並在與我們產品有關的研究、開發及知識產權方面擁有獨家資料，包括酒藥及料酒香辛料的商業秘密配方。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員履歷(續)

Mr. Chen started his career in the condiment industry as early as 1990 and has accumulated extensive experience in the condiment industry since then, especially in production, research and development, and sales and marketing. Before founding our Group in 2005, he was the chairman and general manager of Zhejiang Zhong Wei Brewing Co., Ltd. (“**Zhong Wei**”) from 1995 to 2012. Mr. Chen completed a business administration advance class at Zhejiang University (浙江大學工商管理高級研修班) in 2008.

Mr. Chen has been a member of the China Condiment Industrial Association (中國調味品協會) since 2008. He is also the chairman of the Huzhou Rice Wine Industrial Association (湖州黃酒協會) since 2012.

Mr. Sheng Mingjian (盛明健), aged 40, is our vice general manager and executive Director. Mr. Sheng is primarily responsible for the management of our Group’s financing activities and assisting Mr. Chen to manage the overall business operations. He has more than 10 years of experience in the condiment industry, and has extensive management experience in capital and business operations. Before joining our Group in 2006, he was the general manager of Zhong Wei from 2001 to 2006.

Mr. Wang Chao (王超), aged 37, is our managing director of sales and marketing and executive Director. Mr. Wang is primarily responsible for our Group’s sales and marketing. He has 15 years of experience in the condiment industry. Mr. Wang joined Huzhou Lao Heng He Brewing Factory (湖州老恒和釀造廠) (currently Huzhou Lao Heng He Brewery Co., Ltd. (“**Huzhou Lao Heng He**”)) in 1998 where he worked in various departments, including business operation department and finance department. Since 2006, Mr. Wang worked in management positions in Huzhou Lao Heng He’s customer service centre and sales and marketing department. Mr. Wang graduated from Zhejiang Electronic Polytechnic School (浙江省電子工業學校), a technical middle school in 1998.

NON-EXECUTIVE DIRECTOR

Mr. Zhang Bihong (張弼弘), aged 39, is our non-executive Director. Mr. Zhang has more than 18 years of experience in the areas of auditing, tax, asset valuation and financial management. He is currently a certified tax agent in China (issued by China Certified Tax Agents Association on 2 June 2000). Mr. Zhang is primarily responsible for Company’s investor relation work.

陳先生早在一九九零年已進入調味品行業，並自此起於調味品行業(特別是在生產、研究與開發以及銷售及市場推廣方面)積累了豐富的經驗。在於二零零五年成立本集團之前，彼於一九九五年至二零一二年期間擔任浙江中味釀造有限公司(「中味」)的主席兼總經理。陳先生於二零零八年完成浙江大學工商管理高級研修班的學習。

陳先生自二零零八年起為中國調味品協會的成員。彼亦自二零一二年起擔任湖州黃酒協會主席。

盛明健先生，40歲，為我們的副總經理及執行董事。盛先生主要負責管理本集團的融資活動及協助陳先生管理總體業務經營。彼在調味品行業擁有逾10年經驗，並在資本及業務營運方面擁有豐富的管理經驗。在於二零零六年加入本集團之前，彼於二零零一年至二零零六年期間擔任中味的總經理。

王超先生，37歲，為我們的銷售及市場推廣董事總經理及執行董事。王先生主要負責本集團的銷售及市場推廣事務。彼在調味品行業擁有15年的經驗。王先生於一九九八年加入湖州老恒和釀造廠(現稱湖州老恒和釀造有限公司(「湖州老恒和」))，曾於該廠的多個部門工作，包括業務營運部門及財務部門。自二零零六年起，王先生於湖州老恒和的客戶服務中心以及銷售及市場推廣部擔任管理職務。王先生於一九九八年畢業於一所中等專業學校浙江省電子工業學校。

非執行董事

張弼弘先生，39歲，為我們的非執行董事。張先生在審計、稅務、資產估值及財務管理方面擁有逾18年的經驗。彼目前為中國的註冊稅務師(由中國註冊稅務師協會於二零零零年六月二日頒發)。張先生主要負責本公司的投資者關係工作。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員履歷(續)

Prior to joining our Group in 2012, Mr. Zhang served as the director and chief financial officer of Tianli Agritech, Inc. (豐澤科技發展有限公司), a company listed on NASDAQ (Stock Code: OINK), from 2010 to 2011. He was a partner of Beijing Zhong Cheng Xin An Rui Accounting Firm (北京中誠信安瑞會計師事務所) from 2008 to 2009. Mr. Zhang was the senior manager at BDO-Reanda Xin Public Accountants (利安達會計師事務所) from 2005 to 2008 and served as a senior manager at Inner Mongolia Zhong Tian Hua Zheng Accounting Firm (內蒙古中天華會計師事務所) from 1995 to 2005. Mr. Zhang graduated from Inner Mongolia Agricultural College (內蒙古林學院) in 1995 with a diploma in economics (accounting).

在於二零一二年加入本集團之前，張先生於二零一零年至二零一一年期間擔任豐澤科技發展有限公司(一間於納斯達克上市的公司(股份代號：OINK))的董事兼首席財務官。彼於二零零八年至二零零九年為北京中誠信安瑞會計師事務所的合夥人。張先生於二零零五年至二零零八年期間擔任利安達會計師事務所的高級經理，並於一九九五年至二零零五年期間擔任內蒙古中天華會計師事務所的高級經理。張先生於一九九五年畢業於內蒙古林學院並獲得經濟學(會計)文憑。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shen Zhenchang (沈振昌), aged 68, is our independent non-executive Director. Mr. Shen has more than 40 years of experience in the cooking wine industry. From 1971 to 2006, Mr. Shen worked with China Shaoxing Rice Wine Group (中國紹興黃酒集團有限公司) (previously known as Shaoxing City Rice Wine Corporation (紹興市釀酒總公司)). Before his retirement from the China Shaoxing Rice Wine Group in 2006, Mr. Shen was the director of its office of general affairs.

Mr. Shen is a member of the China Brewing Industry Association (rice wine branch) (中國釀酒工業協會黃酒分會), where he has been the deputy council director and secretary general since 2000.

Additionally, Mr. Shen currently serves as a member of National Wine Brewing Standard Technology Committee (全國釀酒標準化技術委員會), a judge at the reviewing committee of China Alcoholic Drinks Association Science Technology Award (中國酒業協會科學技術獎), and the deputy director of the editorial board of China Rice Wine magazine (《中國黃酒》).

獨立非執行董事

沈振昌先生，68歲，為我們的獨立非執行董事。沈先生在料酒行業擁有逾40年經驗。自一九七一年至二零零六年，沈先生於中國紹興黃酒集團有限公司(前稱為紹興市釀酒總公司)任職。於二零零六年從中國紹興黃酒集團有限公司退休之前，沈先生擔任該公司總務處主任。

沈先生為中國釀酒工業協會黃酒分會會員，彼自二零零零年起擔任該分會的副理事長兼秘書長。

此外，沈先生目前為全國釀酒標準化技術委員會委員、中國酒業協會科學技術獎評委會委員以及《中國黃酒》雜誌的編委會副主任。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員履歷(續)

Mr. Ma Chaosong (馬朝松), aged 42, is our independent non-executive Director. Mr. Ma is a senior accountant (issued by the Beijing Senior Specialized Technique Qualification Evaluation Committee on 6 January 2006), certified public accountant (issued by the Chinese Institute of Certified Public Accountants on 28 September 1999), certified tax agent (issued by China Certified Tax Agents Association on 11 May 2012) and certified public valuer (issued by the Ministry of Finance of the PRC on 24 April 2012) in China. Since 2000 Mr. Ma has been the chairman of Beijing Xin Li Heng Tax Agency Co., Ltd. (北京信利恒稅務師事務所有限責任公司). He has more than 11 years of experience in auditing, accounting and taxation. In May 2011, Mr. Ma was appointed as an independent director of China National Complete Plant Import & Export Corp. Ltd. (中成進出口股份有限公司) (SZSE: 000151). From 1997 to 1999, Mr. Ma was a project manager at Zhong Ce Accounting Firm (中測會計師事務所).

In 1997, Mr. Ma graduated from the Research Institute of Fiscal Science, Ministry of Finance of the PRC (財政部財政科學研究所), with a master's degree in accounting. He graduated from Renmin University of China (中國人民大學) in 1994 with a bachelor's degree in accounting.

Mr. Lei Jiasu (雷家驩), aged 59, is our independent non-executive Director. Currently, Mr. Lei is the director of the Research Centre of Chinese Enterprise Growth and Economic Security in Beijing Tsinghua University (清華大學中國企業成長與經濟安全研究中心). Since 1996, he has been a lecturer in the School of Economics and Management of Beijing Tsinghua University (清華大學經濟管理學院). Between 1994 and 1996, he worked as a post-doctoral researcher in Beijing Tsinghua University. From 1983 to 1989, Mr. Lei taught as a lecturer in Xi'an Electronic and Technology University (西安電子科技大學).

In 2001, Mr. Lei was awarded the title of professor by Beijing Tsinghua University. He graduated as a doctoral research fellow from the School of Economics and Management of Beijing Tsinghua University (清華大學經濟管理學院) in 1993.

馬朝松先生，42歲，為我們的獨立非執行董事。馬先生為中國的高級會計師(於二零零六年一月六日獲北京市高級專業技術資格評審委員會頒發)、執業會計師(於一九九九年九月二十八日獲中國註冊會計師協會頒發)、註冊稅務師(於二零一二年五月十一日獲中國註冊稅務師協會頒發)及註冊資產評估師(於二零一二年四月二十四日獲中國財政部頒發)。自二零零零年以來，馬先生擔任北京信利恒稅務師事務所有限責任公司的主席。彼在審計、會計及稅務方面擁有逾11年經驗。於二零一一年五月，馬先生獲委任為中成進出口股份有限公司(深交所：000151)的獨立董事。自一九九七年至一九九九年，馬先生擔任中測會計師事務所的項目經理。

馬先生於一九九七年畢業於中國財政部財政科學研究所，獲頒會計碩士學位。彼於一九九四年畢業於中國人民大學，獲頒會計學士學位。

雷家驩先生，59歲，為我們的獨立非執行董事。雷先生目前為清華大學中國企業成長與經濟安全研究中心主任。彼自一九九六年起擔任清華大學經濟管理學院講師。於一九九四年至一九九六年期間，彼為清華大學的博士後研究員。於一九八三年至一九八九年期間，雷先生在西安電子科技大學擔任講師。

在二零零一年，雷先生獲清華大學授予教授職稱。彼於一九九三年獲清華大學經濟管理學院博士學位。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員履歷(續)

SENIOR MANAGEMENT

高級管理層

Name 姓名	Age 年齡	Year joined 加入年份	Position 職位
Chen Weizhong 陳衛忠	43	2005 二零零五年	Chairman of the Board, executive Director and chief executive officer 董事會主席、執行董事及 首席執行官
Sheng Mingjian 盛明健	40	2006 二零零六年	Executive Director and vice general manager 執行董事及副總經理
Wang Chao 王超	37	2006 二零零六年	Executive Director and managing director of sales and marketing 執行董事及銷售及市場推廣董事 總經理
Wan Peiyao 萬培耀	43	2005 二零零五年	Director of production 生產部主管
Zhao Yaqin 趙雅琴	37	2005 二零零五年	Financial controller 財務總監

Mr. Chen Weizhong (陳衛忠), aged 43, is the chairman of the Board, CEO and executive Director. His biographical details are set out above under the section headed “Profile of Directors and Senior Management – Executive Directors” to this annual report.

陳衛忠先生，43歲，為董事會主席、首席執行官及執行董事。彼之履歷詳情載於本年報上文「董事及高級管理人員履歷 – 執行董事」一節。

Mr. Sheng Mingjian (盛明健), aged 40, is our vice general manager and executive Director. His biographical details are set out above under the section headed “Profile of Directors and Senior Management – Executive Directors” to this annual report.

盛明健先生，40歲，為我們的副總經理及執行董事。彼之履歷詳情載於本年報上文「董事及高級管理人員履歷 – 執行董事」一節。

Mr. Wang Chao (王超), aged 37, is our managing director of sales and marketing and executive Director. His biographical details are set out above under the section headed “Profile of Directors and Senior Management – Executive Directors” to this annual report.

王超先生，37歲，為我們的銷售及市場推廣董事總經理及執行董事。彼之履歷詳情載於本年報上文「董事及高級管理人員履歷 – 執行董事」一節。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員履歷(續)

Mr. Wan Peiyao (萬培耀), aged 43, is our director of production. He is primarily responsible for the Group's production management. He has more than 11 years of experience in the condiment and cooking wine industry. Mr. Wan joined our Group in 2005, and has worked in various departments including workshop operation department, cooking wine production department and plant operation department. Prior to joining our Group, Mr. Wan was the plant manager and executive assistant to the general manager of Huzhou Ganchang Wine Company (湖州乾昌酒業有限公司) from 2000 to 2005. Mr. Wan passed the test for first-class sommelier of PRC (國家一級品酒師) in December 2012.

Mr. Wan graduated from Zhejiang University of Technology (浙江工業大學) with a bachelor's degree in Industrial Engineering (Biochemistry) in 1995.

Ms. Zhao Yaqin (趙雅琴), aged 37, is our financial controller. Ms. Zhao is responsible for the Group's financing, account and tax matters. She has more than 11 years of experience in the areas of financial management, accounting practices and tax arrangements. She joined our Group in 2005 as manager of our finance department and became our financial controller in 2012. Prior to joining our Group, Ms. Zhao was the manager of finance department of Zhong Wei from 2003 to 2005.

Ms. Zhao received a diploma in accounting from the Central Radio and Television University (中央廣播電視大學) in 2006.

萬培耀先生，43歲，為我們的生產部主管。彼主要負責本集團的生產管理。彼於調味料及料酒行業擁有逾11年經驗。萬先生於二零零五年加入本集團，曾於工場經營部、料酒生產部及工廠經營部等多個部門任職。於加入本集團前，自二零零零年至二零零五年期間，萬先生曾任湖州乾昌酒業有限公司工廠經理及總經理執行助理。萬先生於二零一二年十二月通過國家一級品酒師測試。

萬先生於一九九五年畢業於浙江工業大學，獲得工業工程(生物化學)學士學位。

趙雅琴女士，37歲，為我們的財務總監。趙女士負責本集團的財務、會計及稅務事務。彼於財務管理、會計實務及稅務籌劃領域擁有逾11年經驗。彼於二零零五年加入本集團，擔任財務部經理，並於二零一二年擔任財務總監。於加入本集團前，趙女士曾於二零零三年至二零零五年期間擔任中味的財務部經理。

趙女士於二零零六年取得中央廣播電視大學會計文憑。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

For details of our business review, please refer to the section on “Chairman’s Statement” on pages 5 to 10 to this annual report.

FINANCIAL REVIEW

Overview

The key financial indicators of the Group are as follows:

業務回顧

有關我們業務回顧之詳情，請參閱本年報第5至10頁的「主席報告」一節。

財務回顧

概覽

本集團的主要財務指標如下：

		Year ended 31 December 截至十二月三十一日止年度		Year-on-year change 按年變動 (%)
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	
Income statement items	收益表項目			
Sales	銷售額	668,426	530,433	26.0%
Gross profit	毛利	386,498	313,069	23.5%
Profit attributable to ordinary equity holders of the Company	本公司普通權益持有人應佔利潤	211,603	174,207	21.5%
EBITDA	除利息、稅項、折舊及攤銷前利潤	282,385	234,975	20.2%
Earnings per share (RMB cents) ^(Note a)	每股盈利 (人民幣分) ^(附註a)			
— basic and diluted	— 基本及攤薄	41.8	46.5	(10.1%)
Selected financial ratios	節選財務比率			
Gross profit margin (%)	毛利率(%)	57.8%	59.0%	(2.0%)
Net profit margin attributable to ordinary equity holders of the Company (%)	本公司普通權益持有人應佔淨利潤率(%)	31.7%	32.8%	(3.4%)
EBITDA margin (%)	除利息、稅項、折舊及攤銷前利潤率(%)	42.2%	44.3%	(4.7%)
Return on equity holders' equity (%)	權益持有人權益回報(%)	17.7%	58.8%	(69.9%)
Gearing ratio ^(Note b)	資本負債比率 ^(附註b)	25.9%	54.2%	(52.2%)

Notes:

- (a) Please refer to Note 14 to the financial statements of this annual report for the calculation of earnings per share.
- (b) The gearing ratio is based on net debt divided by total equity and net debt. Net debt includes total debt net of cash and cash equivalents.

附註：

- (a) 有關每股盈利的計算方法，請參閱本年報的財務報表附註14。
- (b) 資本負債比率按淨債務除以總權益及淨債務計算。淨債務包括總債務減現金及現金等價物。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Revenue

The revenue of the Group, increased by 26.0% from RMB530.4 million in 2013 to RMB668.4 million in 2014, primarily reflecting an increase in the sales of our cooking wine products, soy sauce products and vinegar products.

收入

本集團的收入由二零一三年的人民幣530.4百萬元增加26.0%至二零一四年的人民幣668.4百萬元，主要反映我們料酒產品、醬油產品及醋製品的銷售額增加。

Year ended 31 December

截至十二月三十一日止年度

2014

2013

二零一四年

二零一三年

		Percentage of total Revenue		Percentage of total Revenue		Change	
		Revenue	Revenue	Revenue	Revenue	Revenue	Revenue
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%	人民幣千元	%
Cooking wine	料酒						
Premium	特級	98,708	14.8%	92,600	17.5%	6,108	6.6%
High-end	高端	110,696	16.6%	90,388	17.0%	20,308	22.5%
Medium-range	中端	245,745	36.8%	191,171	36.0%	54,574	28.5%
Mass-market	平價	17,767	2.6%	19,223	3.6%	(1,456)	(7.6%)
Subtotal	小計	472,916	70.8%	393,382	74.1%	79,534	20.2%
Soy sauce	醬油	106,353	15.9%	101,899	19.2%	4,454	4.4%
Vinegar	醋	68,634	10.3%	14,239	2.7%	54,395	382.0%
Other products	其他產品	20,523	3.0%	20,913	4.0%	(390)	(1.9%)
Total	合計	668,426	100.0%	530,433	100.0%	137,993	26.0%

Revenue from cooking wine products increased by 20.2% from RMB393.4 million for the year of 2013 to RMB472.9 million for the year of 2014, reflecting increases in all product lines except for our mass-market cooking wine products. With our great effort on enhancing the "Lao Heng He" ("老恒和") cooking wine brand and continually focusing on producing high quality cooking wine products, the sales of our cooking wine products kept increasing in 2014, especially the star products, such as 15% ABV Cooking Wine (15度料酒), Steamed Fish Cooking Wine (蒸魚料酒), Scallion & Ginger Cooking Wine (蔥薑料酒) and Lao Heng He Cooking Wine (老恒和料酒).

料酒產品的收入由二零一三年的人民幣393.4百萬元增加20.2%至二零一四年的人民幣472.9百萬元，反映我們除平價料酒產品外的所有產品類別收入均有所增加。我們致力加強「老恒和」料酒品牌形象及持續專注於生產優質料酒產品，使我們於二零一四年的料酒產品銷量不斷上升，尤其是我們的星級產品，如15度料酒、蒸魚料酒、蔥薑料酒及老恒和料酒。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Revenue from the Group's soy sauce products increased by 4.4% from RMB101.9 million for the year of 2013 to RMB106.4 million for the year of 2014. In 2014, the Group streamlined its soy sauce product offering, with main focus on several premium products such as Premium Flavored Soy Sauce (鮮上鮮特級醬油) and Mushroom Dark Soy Sauce (草菇老抽).

Revenue from the Group's vinegar products increased by 382.0% from RMB14.2 million for the year of 2013 to RMB68.6 million for the year of 2014, which was mainly attributable to the growing market popularity and the ramping up of production capacity of the naturally brewed vinegar, such as Crab Vinegar (蟹醋), Rose Rice Vinegar (玫瑰米醋) and Premium Zhejiang Vinegar (上品浙醋).

The Group's shift in focus to the cooking wine business affected the Group's other products, which decreased by 1.9% from RMB20.9 million for the year of 2013 to RMB20.5 million for the year of 2014.

The Group believes the outstanding performance of the Group's sales is largely contributed to (i) increasing market recognition of the "Lao Heng He" ("老恒和") brand; (ii) consistent superior quality of the "Lao Heng He" ("老恒和") products; (iii) enhancing efforts on the Group's marketing and promotion activities; (iv) expansion of the Group's distribution network with further market penetration; (v) growing consumer consciousness of food safety and preference for naturally-brewed cooking wine products which the Group introduced to the market; and (vi) rising disposable income level in the PRC.

Cost of Sales

The Group's cost of sales increased by 29.7% from RMB217.4 million in 2013 to RMB281.9 million in 2014. The increase in cost of sales was largely in line with the increase in sales revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by 23.5% from RMB313.1 million in 2013 to RMB386.5 million in 2014. However, the gross profit margin decreased slightly from 59.0% in 2013 to 57.8% in 2014, primarily due to the increased packaging cost as the Group upgraded some key products' packaging design and packaging quality.

本集團醬油產品的收入由二零一三年的人民幣101.9百萬元增加4.4%至二零一四年的人民幣106.4百萬元。於二零一四年，本集團精簡其醬油產品組合，主要將重心放在數種特級產品，如鮮上鮮特級醬油及草菇老抽。

本集團醋製品的收入由二零一三年的人民幣14.2百萬元增加382.0%至二零一四年的人民幣68.6百萬元，主要由於市場受歡迎程度上升，以及天然釀造醋(如蟹醋、玫瑰米醋及上品浙醋)的產能有所提高所致。

本集團將重心轉向料酒業務，影響了本集團的其他產品，由二零一三年的人民幣20.9百萬元下降1.9%至二零一四年的人民幣20.5百萬元。

本集團認為本集團銷售額的出眾表現很大程度上受惠於：(i)「老恒和」品牌的市場知名度日益上升；(ii)「老恒和」產品一貫的優越品質；(iii)本集團加強市場推廣及促銷活動；(iv)本集團拓展其經銷網絡以進一步滲透市場；(v)消費者食品安全意識不斷提升，並更青睞本集團引入市場的天然釀造料酒產品；及(vi)中國的可支配收入水平提升。

銷售成本

本集團的銷售成本由二零一三年的人民幣217.4百萬元增加29.7%至二零一四年的人民幣281.9百萬元。銷售成本的增加大致上與銷售收入的增加一致。

毛利及毛利率

由於上述原因，本集團的毛利由二零一三年的人民幣313.1百萬元增加23.5%至二零一四年的人民幣386.5百萬元。然而，毛利率由二零一三年的59.0%略為下跌至二零一四年的57.8%，主要由於本集團升級數種重點產品之包裝設計及包裝質量，以致包裝成本有所上升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Other Income and Gains

Other income decreased by 49.0% from RMB11.5 million in 2013 to RMB5.9 million in 2014. Other income consists primarily of subsidy received, gains from sales of materials and interest income. The decrease in other income is primarily due to the decrease in subsidy received from RMB10.3 million in 2013 to RMB2.9 million in 2014, partially offset by the increase in interest income from RMB49,000 in 2013 to RMB1.3 million in 2014.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising expenses, marketing expenses, promotion expenses, travelling expenses, and remuneration of our sales employees.

The Group's selling and distribution expenses increased from RMB25.7 million in 2013 to RMB40.3 million in 2014, and the distribution expenses as a percentage of the Group's revenue increased from 4.8% for 2013 to 6.0% for 2014, as the Group conducted extensive marketing and promotional activities to strengthen the "Lao Heng He" ("老恒和") brand recognition and value.

Administrative Expenses

The administrative expenses increased by 9.9% from RMB74.1 million in 2013 to RMB81.4 million in 2014. This increase mainly reflected an increase in the research and development costs and staff costs.

Finance Cost

Finance cost increased by 29.5% from RMB17.6 million in 2013 to RMB22.9 million in 2014. The increase in finance costs primarily reflected an increase in interest on bank loans from RMB17.6 million for the year of 2013 to RMB22.9 million for the year of 2014 as a result of an increase in the average balance of the Group's bank loans in 2014 to support the expansion of the Group's business.

Profit before Tax

As a result of the foregoing, the profit before tax increased by 18.9% from RMB207.2 million in 2013 to RMB246.2 million 2014.

其他收入及收益

其他收入由二零一三年的人民幣11.5百萬元下跌49.0%至二零一四年的人民幣5.9百萬元。其他收入主要包括已收補貼、銷售材料的收益及利息收入。其他收入減少乃主要由於已收補貼由二零一三年的人民幣10.3百萬元減少至二零一四年的人民幣2.9百萬元，而其被利息收入由二零一三年的人民幣49,000元增加至二零一四年的人民幣1.3百萬元部分抵銷。

銷售及經銷開支

銷售及經銷開支主要包括廣告開支、營銷開支、推廣開支、差旅開支及我們銷售僱員的酬金。

本集團的銷售及經銷開支由二零一三年的人民幣25.7百萬元增加至二零一四年的人民幣40.3百萬元，而本集團的經銷開支佔本集團收入的百分比由二零一三年的4.8%增加至二零一四年的6.0%，乃由於本集團進行了廣泛的市場推廣及促銷活動以加強「老恒和」品牌知名度和價值所致。

行政開支

行政開支由二零一三年的人民幣74.1百萬元增加9.9%至二零一四年的人民幣81.4百萬元。此增長主要反映研究及開發成本以及員工成本上升。

融資成本

融資成本由二零一三年的人民幣17.6百萬元增加29.5%至二零一四年的人民幣22.9百萬元。融資成本的增加主要反映了本集團於二零一四年的平均銀行貸款餘額增加以支持本集團業務擴展，導致銀行貸款利息由二零一三年的人民幣17.6百萬元增加至二零一四年的人民幣22.9百萬元。

除稅前利潤

由於上述原因，除稅前利潤由二零一三年的人民幣207.2百萬元增加18.9%至二零一四年的人民幣246.2百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

Income Tax Expense

Income tax expense increased by 5.1% from RMB32.9 million in 2013 to RMB34.6 million in 2014, with the effective income tax rate decreased from 15.9% in 2013 to 14.1% in 2014, mainly due to more tax incentive obtained on eligible expenditures in 2014. Subsidiaries of the Group in Mainland China, including Huzhou Laohenghe Brewery Co., Limited and Huzhou Laohenghe Wine Co., Limited, having been granted the “Certificate of New and Advanced Technology Enterprise” and are entitled to the beneficial tax rate of 15% for three years starting from 1 January 2013. As such, the corporate income tax of the Group for the year of 2014 in respect of its operations in the PRC has been provided at the rate of 15% (2013: 15%) on the taxable profit.

Profit Attributable to Ordinary Equity Holders of the Company

For the foregoing reasons, profit attributable to ordinary equity holders of the Company increased from RMB174.2 million in 2013 to RMB211.6 million in 2014.

Earnings per Share Attributable to Ordinary Equity Holders of the Company

Basic earnings per share decreased from RMB46.5 cents for 2013 to RMB41.8 cents for 2014. Decrease in earnings per share was attributable to the new Shares issued upon the IPO on Listing Date and the new Shares issued upon exercise of the over-allotment option on 13 February 2014 that resulted in an enlarged share capital.

Net Profit Margin

Net profit margin decreased 1.1 percentage points from 32.8% in 2013 to 31.7% in 2014. The decrease in net profit margin was mainly attributable to an increase in cost of sales resulting in a decrease in gross profit margin.

所得稅開支

所得稅開支由二零一三年的人民幣32.9百萬元增加5.1%至二零一四年的人民幣34.6百萬元，且實際所得稅稅率由二零一三年的15.9%下降至二零一四年的14.1%，主要由於於二零一四年就合資格開支獲得更多稅項優惠所致。本集團中國內地附屬公司(包括湖州老恒和釀造有限公司及湖州老恒和酒業有限公司)已獲頒發「高新技術企業證書」，並有權於自二零一三年一月一日起三年內享有15%的優惠稅率。因此，本集團於二零一四年就其中國業務應課稅利潤繳納企業所得稅的稅率為15%(二零一三年：15%)。

本公司普通權益持有人應佔利潤

由於上述原因，本公司普通權益持有人應佔利潤由二零一三年的人民幣174.2百萬元增加至二零一四年的人民幣211.6百萬元。

本公司普通權益持有人應佔每股盈利

每股基本盈利由二零一三年的人民幣46.5分減少至二零一四年的人民幣41.8分。每股盈利的減少乃由於本公司於上市日期進行首次公開發售後而發行新股份及於二零一四年二月十三日因超額配股權獲行使而發行新股份之經擴大股本所致。

淨利潤率

淨利潤率由二零一三年的32.8%下跌1.1個百分點至二零一四年的31.7%。淨利潤率下跌主要由於銷售成本上升，令毛利率有所下跌。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL AND LIQUIDITY POSITION

Trade and Receivables

Trade receivables increased from RMB88.9 million as of 31 December 2013 to RMB187.9 million as of 31 December 2014, mainly reflecting increases in sales.

Details of the ageing analysis of trade receivables are set out in Note 19 to the financial statements in this annual report. The turnover days of trade receivables increased from 52 days in 2013 to 76 days in 2014, which was mainly due to a larger amount of sales incurred during the last three months of 2014, as compared to the last three months of 2013 and the increase in sales to higher category distributors, which had longer credit period.

The Group implemented a multi-category distributor system to manage distribution of its products since 2011. The Group classified its distributors into Categories A (the highest), B, C and D based on their distribution scale and capabilities.

Inventories

Inventories increased from RMB326.7 million as of 31 December 2013 to RMB830.5 million as of 31 December 2014, primarily due to increase in work in progress by RMB471.7 million. A substantial part of the inventories of the Group was contributed by work in progress, which mainly represented the base wine, base soy sauce and base vinegar in the brewing period. Due to the long production cycle and short sales cycle, the Group needs to keep an abundant stock of well-aged base wine to cope with the rapid sales growth in the future. With leverage of the proceeds from the IPO and the funding support from the banks, the Group expanded its production scale significantly, and the stock of base wine recorded a significant increase, to ensure the Group has sufficient work in progress stock not only for the short-term production, but also for the expansion in the coming years.

財務及流動資金狀況

應收貿易款項

應收貿易款項由二零一三年十二月三十一日的人民幣88.9百萬元增至二零一四年十二月三十一日的人民幣187.9百萬元，主要反映銷售增加。

應收貿易款項賬齡分析詳情載於本年報的財務報表附註19。應收貿易款項的周轉天數從二零一三年的52天增加至二零一四年的76天，主要由於於二零一四年最後三個月產生的銷售金額高於二零一三年最後三個月及向擁有較長信貸期的較高類別經銷商進行更多銷售。

自二零一一年起，本集團實施多類別經銷商系統以管理其產品經銷。本集團根據其經銷商經銷規模及能力將其經銷商分為A類(最高)、B類、C類及D類。

存貨

存貨由二零一三年十二月三十一日的人民幣326.7百萬元增至二零一四年十二月三十一日的人民幣830.5百萬元，主要由於在製品增加人民幣471.7百萬元。本集團存貨的絕大部分為在製品，主要指處於釀造期的基酒、基醬油及基醋。由於較長的生產週期及較短的銷售週期，本集團需保持大量經過長年陳釀的基酒存貨，以應對未來快速的銷售增長。憑藉首次公開發售的所得款項及銀行的資金支持，本集團大幅擴張其生產規模，而基酒的庫存量均大幅增加，從而確保本集團擁有充足在製品儲備，不僅可滿足短期生產需求，亦為未來數年擴張作準備。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

The Group monitors the level of inventory maintained by its distributors on a regular basis. The Group's sales representatives maintain frequent telephone or email communications with each of its Categories A, B and C distributors, review their monthly inventory reports and visit their warehouses on a regular basis. The Group's sales representatives visit its Category A and B distributors' warehouses at least on a monthly basis and those Category C distributors at least every three months to ensure that they keep optimal stock level and the Group's products are sold to end customers within the shelf life. The Group generally expects its distributors to maintain sufficient stock for five to 20 days of supply. In the event a distributor maintains stocks of more than 20 days of supply, the relevant sales representatives will assist such distributor in marketing and promotional activities and suggest smaller-sized orders to be placed for the succeeding periods to minimize excess inventory.

As at 31 December 2014, the Group's inventories with a carrying amount of RMB117.5 million (31 December 2013: RMB70.3 million) were pledged to secure general banking facilities granted to the Group.

Borrowings

As of 31 December 2014, the Group's total borrowings amounted to RMB417.8 million (31 December 2013: RMB 233.0 million).

Liquidity and Financial Resources

As at 31 December 2014, the Group had cash and cash equivalents of RMB218.5 million (31 December 2013: RMB44.0 million). As at 31 December 2014, the Group had interest-bearing bank borrowings of an aggregate amount of RMB417.8 million (31 December 2013: RMB233.0 million), which were denominated in RMB with interest rates from 5.80% to 7.20% per annum.

本集團定期監控其經銷商維持的存貨水平。本集團的銷售代表與其各個A類、B類及C類經銷商保持緊密的電話或電郵聯繫、審閱彼等的月度存貨報告並定期拜訪彼等的倉庫。本集團的銷售代表至少每月拜訪一次其A類及B類經銷商的倉庫，以及至少每三個月拜訪一次C類經銷商的倉庫，以確保彼等維持最佳的存貨水平，並確保本集團的產品乃在保質期內出售予終端消費者。本集團通常期望其經銷商維持足以供應5至20天的存貨。倘若某經銷商所維持存貨的供應天數超過20天，相關銷售代表將協助該經銷商進行市場推廣及促銷活動，並建議在隨後期間下訂額度較小的訂單，盡量降低過剩存貨。

於二零一四年十二月三十一日，本集團已抵押賬面值人民幣117.5百萬元的存貨(二零一三年十二月三十一日：人民幣70.3百萬元)，作為授予本集團一般銀行融資的擔保。

借款

截至二零一四年十二月三十一日，本集團借款總額為人民幣417.8百萬元(二零一三年十二月三十一日：人民幣233.0百萬元)。

流動資金及財務資源

於二零一四年十二月三十一日，本集團現金及現金等價物為人民幣218.5百萬元(二零一三年十二月三十一日：人民幣44.0百萬元)。於二零一四年十二月三十一日，本集團計息銀行借款合共為人民幣417.8百萬元(二零一三年十二月三十一日：人民幣233.0百萬元)，均以人民幣計值，按年利率介乎5.80%至7.20%計息。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

The Group's principal sources of liquidity includes cash generated from operations, proceeds from IPO and bank and other borrowings. The Group uses cash from such sources for working capital, production facility expansions, other capital expenditures and debt service requirements. The Group expects these uses will continue to be its principal uses of cash in the future, and that its cash flow will be sufficient to fund its ongoing business requirements. Meanwhile, the Group has decided to further broaden its financing channel to improve our capital structure.

本集團流動資金的主要來源為經營產生的現金、首次公開發售股份所得款項和銀行及其他借款。本集團過去將來自該等來源的現金用於營運資金、生產設施擴張、其他資本支出及償債需要。本集團預期該等用途將繼續為其未來的主要現金用途，及預期其現金流量將足以滿足其持續經營業務的需求。同時，本集團已決定進一步拓寬其融資渠道以改善我們的資本架構。

CAPITAL COMMITMENT

Capital commitment as at 31 December 2014 amounted to approximately RMB16.4 million (31 December 2013: RMB14.2 million), which was mainly related to construction in progress for expansion of plant.

資本承擔

於二零一四年十二月三十一日的資本承擔為約人民幣16.4百萬元(二零一三年十二月三十一日：人民幣14.2百萬元)，主要與擴建廠房的在建工程有關。

CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any material contingent liability.

或有負債

於二零一四年十二月三十一日，本集團並無任何重大或有負債。

MATERIAL ACQUISITION AND DISPOSAL

The Company has no material acquisition and disposal as at 31 December 2014.

重大收購及出售事項

於二零一四年十二月三十一日，本公司概無任何重大收購及出售事項。

GEARING RATIO

The gearing ratio of the Group was 25.9% as at 31 December 2014, representing a decrease of 52.2% as compared to 54.2% as at 31 December 2013.

資本負債比率

於二零一四年十二月三十一日，本集團資本負債比率為25.9%，較二零一三年十二月三十一日的54.2%下降52.2%。

The gearing ratio is based on net debt divided by total equity and net debt as at 31 December 2014. Net debt includes total debt net of cash and cash equivalents.

資本負債比率按二零一四年十二月三十一日之淨債務除以總權益及淨債務計算得出。淨債務包括總債務減現金及現金等價物。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

PLEDGE OF ASSETS

Details of the Group's bank loans which are secured by the assets of the Group, are included in Note 15, 16, 18 and 24(b) to the financial statements of this annual report.

As at 31 December 2014, the Group's inventories with a carrying amount of RMB117.5 million, property, plant and equipment with a carrying amount of RMB20.6 million and leasehold land with a carrying amount of RMB11.5 million were pledged to secure general banking facilities granted to the Group.

Except as disclosed in this annual report, the Group has not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third party. It does not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engages in leasing or hedging or research and development or other service with it.

FUTURE PROSPECTS

For details of the Group's business outlook, please refer to the section headed "Chairman's Statement" on pages 5 to 10 of this annual report.

MARKET RISKS

Credit Risk

The Group's major concentration of credit risk arises from the Group's exposure to a substantial number of trade receivables, other receivables, time deposits, and cash and cash equivalents. The Group's trade receivables are typically unsecured and derived from revenue earned from customers in the PRC, which are exposed to credit risk. The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and has strict control over credit limits of trade and other receivables.

In addition, the balance of trade receivables is monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in Notes 19 and 20 to the financial statements in this annual report.

資產質押

以本集團資產作擔保之本集團銀行貸款詳情載列於本年報財務報表附註15、16、18及24(b)。

於二零一四年十二月三十一日，本集團抵押賬面值為人民幣117.5百萬元的存貨，賬面值為人民幣20.6百萬元的物業、廠房及設備，及賬面值為人民幣11.5百萬元的租賃土地，作為授予本集團一般銀行融資的質押。

除本年報所披露者外，本集團並無訂立任何資產負債表外擔保或其他承擔，以擔保任何第三方的付款責任。其並不擁有向其提供融資、流動資金、市場風險或信貸支持，或為其從事租賃或對沖或研發或其他服務的任何未合併實體的任何權益。

未來前景

關於本集團業務前景的詳情，請參閱本年報第5至10頁的「主席報告」一節。

市場風險

信用風險

本集團信用風險主要集中在本集團所面臨的大量應收貿易款項、其他應收款項、定期存款及現金及現金等價物產生的風險。本集團應收貿易款項一般為無抵押及來自賺取中國客戶的收入，惟面臨信用風險。本集團已制定相關政策確保產品出售予有適當信用額度的客戶，且嚴格控制貿易及其他應收款項的信用額度。

此外，本集團持續監察應收貿易款項結餘的情況，而本集團的壞賬風險並不重大。有關本集團因貿易及其他應收款項產生的信用風險的進一步數據已於本年報財務報表附註19及20披露。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Liquidity Risk

The Group has established an appropriate liquidity risk management policy to maintain sufficient cash and cash equivalents and have available funding through capital contribution and bank borrowings. The Company's management also monitors the utilization of bank borrowings and ensures compliance with loan covenants. For details on the maturity profile of the Group's financial liabilities as at 31 December 2014, please refer to Note 34 to the financial statements in this annual report.

EMPLOYEES AND WELFARE CONTRIBUTION

As at the 31 December 2014, the Group had a total of 329 employees (31 December 2013: 202). The employees' remuneration packages are determined with reference to their experience and qualifications and general market conditions. The remuneration policies, bonus, evaluation systems and training programs for employees of our Group were implemented continuously according to policies disclosed in the 2013 annual report and no change has been made in 2014.

The total remuneration paid to the Group's employees (excluding directors' and chief executive's remuneration) for the year ended 31 December 2014 amounted to approximately RMB15.7 million (2013: approximately RMB10.9 million), which included the Group's contribution to the employee benefit plan for the year 2014 of RMB1.7 million (2013: RMB1.1 million). Details of the employee benefit expense are disclosed in Note 7 to the financial statements in this annual report.

The following table sets forth the Group's full-time employees by function as of 31 December 2014:

流動性風險

本集團已設立適當的流動性風險管理政策，以維持充足的現金及現金等價物並透過注資及銀行借款取得資金。本公司管理層亦監控銀行借款的動用及確保遵守貸款契約。有關本集團於二零一四年十二月三十一日之金融負債的到期情況詳情，請參閱本年報財務報表附註34。

僱員及福利繳費

於二零一四年十二月三十一日，本集團共聘有329名僱員(二零一三年十二月三十一日：202名)。僱員薪酬方案乃參考彼等的經驗及資質以及總體市況而釐定。本集團僱員的薪酬政策、花紅、評估體系及培訓計劃繼續按照於二零一三年年報披露的政策執行，且於二零一四年概無變動。

於截至二零一四年十二月三十一日止年度支付予本集團僱員之薪酬總額(不包括董事及最高行政人員薪酬)為約人民幣15.7百萬元(二零一三年：約人民幣10.9百萬元)，包括本集團於二零一四年就僱員福利計劃作出的供款人民幣1.7百萬元(二零一三年：人民幣1.1百萬元)。僱員福利開支詳情披露於本年報財務報表附註7。

下表載列本集團截至二零一四年十二月三十一日按職能劃分的全職僱員：

As of 31 December 2014

截至二零一四年十二月三十一日

Number of employees	% of total
僱員人數	佔總數百分比

Production	生產	254	77.2
Management and administration	管理及行政管理	11	3.3
Sales and marketing	銷售及營銷	19	5.8
Quality Control, Research and Development and others	質量控制、研發及其他	45	13.7
Total	總計	329	100

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) 管理層討論與分析(續)

The Group has designed an evaluation system to assess the performance of its employees. This system forms the basis of determination on employees' salaries, bonuses and promotions. We believe the salaries and bonuses that our Group's employees receive are competitive with market rates. Under applicable PRC laws and regulations, our Group is subject to social insurance contribution plans, work-related injury insurance and maternity insurance schemes.

We place a strong emphasis on providing training to our employees in order to enhance their technical and product knowledge as well as comprehension of industry quality standards and work place safety standards. We also provide regular on-site and off-site training to help our employees to improve their skills and knowledge. These training courses range from further educational studies to basic production process and skill training to professional development courses for its management personnel.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year of 2014, neither the Company, nor any of its subsidiaries purchased, redeemed, or sold any of the Company's listed securities.

CHARITABLE DONATIONS

During the year of 2014, the Group made charitable donations of RMB1,510,000.

本集團已設計評估體系，以評定其僱員的表現。該體系為釐定僱員薪金、獎金及晉升的依據。我們認為，本集團僱員收取的薪金及獎金可與市價競爭。根據適用中國法律法規，本集團須參與社會保險供款計劃、工傷保險及生育保險計劃。

我們非常重視向我們的僱員提供培訓，以便提升彼等的技術及產品知識以及對行業質量標準及工作場所安全標準的理解。我們亦提供定期場內及場外培訓，幫助我們的僱員提升技能和知識。該等培訓課程範圍由基礎生產程序及技術訓練的深造班至管理人員的專業發展課程均齊備。

購買、贖回或出售本公司上市證券

於二零一四年內，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

慈善捐款

於二零一四年內，本集團作出慈善捐款人民幣1,510,000元。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintaining a high standards of corporate governance practice for enhancing accountability and transparency of the Company to its investors and Shareholders. The Board and the management of the Company are committed to conducting the Group's businesses in a transparent and responsible manner, and they believe good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing Shareholders' value in the long term.

(A) CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Governance Code") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the "Listing Rules") as its own code to govern its corporate governance practices.

During the year ended 31 December 2014, the Company has complied with the code provisions set out in the Governance Code except the deviations as set out below in this report.

The Board will continue to review and monitor the practices of the Company with an aim to achieve and maintain a high standard of corporate governance practices.

(B) DIRECTORS' AND SENIOR MANAGEMENT'S SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all the Directors confirmed that they have complied with the Model Code during the year ended 31 December 2014. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year ended 31 December 2014.

本公司承諾為其投資者及股東維持高標準的企業管治常規以提高本公司之問責性及透明度。董事會及本公司管理層承諾以透明負責的方式開展本集團業務，而彼等相信，良好企業管治能為有效管理、健全企業文化、可持續業務增長，以及提升股東長遠價值方面提供一個不可或缺之框架。

(A) 企業管治常規

本公司已採納香港聯合交易所有限公司證券上市規則(經不時修訂)(「上市規則」)附錄十四所載企業管治守則及企業管治報告(「管治守則」)所載的守則條文，以作為其本身規管其企業管治常規的守則。

截至二零一四年十二月三十一日止年度，本公司已遵守管治守則所載之守則條文，惟本報告下文所載之偏離事項除外。

為達到及維持高標準的企業管治常規，董事會將不斷檢討及監察本公司的常規。

(B) 董事及高級管理層之證券交易

本公司已採納載列於上市規則附錄十之《上市發行人董事進行證券交易之標準守則》(「標準守則」)，作為董事及本集團高級管理層(因彼之職位或僱傭關係，乃有可能持有有關本集團或本公司證券之內幕消息)有關買賣本公司證券之行為守則。

經過具體詢問後，全體董事確認彼等於截至二零一四年十二月三十一日止年度已遵守標準守則。此外，本公司並無發現本集團高級管理層於截至二零一四年十二月三十一日止年度有任何違反標準守則的行為。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(C) THE BOARD OF DIRECTORS

Board Responsibilities

The Board is responsible for the overall management of the Company, including establishing and overseeing the Company's strategic development, business plans, financial objectives, capital investment proposals and assumes the responsibilities of corporate governance of the Company.

The Board gave their input and considered the priorities and initiatives, aiming at developing a sustainable plan for the Company to generate and preserve its long-term corporate values and to achieve its business strategies and objectives.

The Board may from time to time delegate all or any of its powers that it may think fit to a Director or member of senior management of the Company. The Board has formulated clear and specific rules and policies on such delegation of power to facilitate efficient operation of the Company and is supported by three board committees together the **"Board Committees"**, which are audit Committee (the **"Audit Committee"**), remuneration Committee (the **"Remuneration Committee"**) and nomination Committee (the **"Nomination Committee"**).

Directors must dedicate sufficient time and attention to the Group's affairs. Besides, the Company also requested all Directors to disclose to the Company annually the number and the nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved.

The Company has arranged appropriate insurance for all Directors in respect of legal actions against the Directors arising out of corporate activities.

(C) 董事會

董事會的責任

董事會負責本公司的整體管理，包括制訂及監督本公司的策略發展、業務計劃、財務目標及資金投資建議，並承擔本公司企業管治的責任。

董事會已投放資源及考慮各事項的優先次序及措施，旨在為本公司發展持續計劃，藉以產生及維護其長期企業價值，以及實現其業務策略及目標。

董事會可不時將其認為合適的所有或任何權力授予董事或本公司高級管理層成員。在董事會審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）三個董事會委員會（統稱「**董事會委員會**」）支持下，董事會已就有關授權制訂清晰明確的規則及政策，以促進本公司有效營運。

董事須付出足夠時間及精神以處理本集團的事務。另外，本公司亦要求全體董事每年向本公司披露其於公眾公司或組織及其他重大承擔擔任有關職務的數目及性質，以及所涉及的時間。

本公司已就因企業活動而對董事採取的法律行動為全體董事安排合適的保險。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Board Members

During the year ended 31 December 2014 and as at the date of this annual report, the Board consist of the following seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors:

Executive Directors

Mr. Chen Weizhong (*Chairman and CEO*)
Mr. Sheng Mingjian
Mr. Wang Chao

Non-executive Director

Mr. Zhang Bihong

Independent non-executive Directors

Mr. Shen Zhenchang
Mr. Lei Jiasu
Mr. Ma Chaosong

There is no financial, business, family or other material or relevant relationships among the Directors of the Company.

An updated list of the roles and functions of Directors is maintained on the websites of the Company and the Stock Exchange, and the Company shall keep updating whenever necessary. The details of the Directors' biographical information are contained in the section headed "Profile of Directors and Senior Management" of this annual report.

The Company has adopted a Board diversity policy on 25 March 2014 (the "**Board Diversity Policy**"). The Company recognizes and embraces the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aims to set out the approach to achieve diversity on the Board. The Remuneration Committee and Nomination Committee will evaluate the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates will be based on a range of diversity experiences, including but not limited to age, gender, cultural and educational background, and merit and contribution that the selected candidates will bring to the Board.

董事會成員

截至二零一四年十二月三十一日止年度及於本年報日期，董事會由以下七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事：

執行董事

陳衛忠先生 (*主席兼首席執行官*)
盛明健先生
王超先生

非執行董事

張弼弘先生

獨立非執行董事

沈振昌先生
雷家驩先生
馬朝松先生

本公司各董事之間概無財務、業務、家族或其他重大或相關關係。

最新的董事角色及職能清單已刊載於本公司及聯交所的網站，而本公司將於有需要時持續更新。各董事的履歷資料詳情載於本年報「董事及高級管理人員履歷」一節。

本公司已於二零一四年三月二十五日採納董事會成員多元化政策（「**董事會成員多元化政策**」）。本公司認同及深信，董事會成員多元化對提升其表現質素裨益良多。董事會成員多元化政策旨在載列為達致董事會成員多元化而採取的方針。薪酬委員會及提名委員會將會評核董事會成員的技能、經驗及多元化範疇方面的平衡與融合。甄選人選將按一系列多元化範疇為基準，包括但不限於年齡、性別、文化及教育背景，以及獲選人選的長處及可為董事會提供的貢獻。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Independent Non-executive Directors

The Company at all times complied with the requirement of Rule 3.10A of the Listing Rules, which requires an issuer's board of directors to have at least one-third of its members being independent non-executive directors. In addition, the Company has duly complied with Rule 3.10(1) and Rule 3.10(2) of the Listing Rules, which requires the issuer's board must include at least three independent non-executive directors and at least one of the independent non-executive directors to have appropriate professional qualifications or accounting or related financial management expertise.

Mr. Ma Chaosong, chairman of the Company's Audit Committee and being one of the independent non-executive Director, possesses over 10 years of experience in the financial field. Together with another two independent non-executive Directors, Mr. Lei Jiasu and Mr. Shen Zhenchang, all of whom have wide exposure and experience in the cooking wine industry and management field, provide the Group with diversified expertise and experience.

Their views and participation in Board and Board committee meetings bring independent judgment and advice on issues relating to the Group's strategies, performance, conflicts of interest, management process and to ensure that the interests of all Shareholders are taken into account.

The Company has received an annual confirmation from each of the independent non-executive Directors on their respective independence pursuant to Rule 3.13 of the Listing Rules and the Board considers that each of them be independent. The Board believes that the present structure of the Board can ensure the independence and objectivity of the Board and provide an effective system of checks and balance to safeguard the interests of the Shareholders and the Company.

The Board considers that the balance between executive and non-executive Director is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of Shareholders and the Group as a whole. The composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership. The Board has separate and independent access to the senior management and the company secretary at all times.

獨立非執行董事

本公司一直遵守上市規則第3.10A條之規定，該規定要求發行人之董事會至少有三分之一成員為獨立非執行董事。此外，本公司已妥為遵守上市規則第3.10(1)條及第3.10(2)條，該條規定發行人之董事會必須包括至少三名獨立非執行董事及至少有一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專業知識。

本公司審核委員會主席兼其中一名獨立非執行董事馬朝松先生於財務領域擁有逾10年的經驗。連同其他兩名獨立非執行董事雷家驩先生及沈振昌先生，彼等全部於料酒行業及管理領域擁有廣泛接觸及經驗，為本集團帶來多元化的專業知識及經驗。

彼等提出的意見及透過參與董事會及董事會委員會會議，為本集團在策略、表現、利益衝突及管理程序等相關事宜上提供獨立判斷及建議，並可確保顧及全體股東之利益。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就彼等各自之獨立性發出之年度確認，董事會亦認為彼等各自均屬獨立。董事會相信，董事會之現時架構可確保董事會之獨立性及客觀性，並提供有效的審查及制衡制度，以保障股東及本公司的整體利益。

董事會認為執行董事及非執行董事之間的平衡可合理及適當發揮充分審查及制衡作用，保障股東及本集團的整體利益。董事會的組成反映適合本集團業務發展所需技能及經驗與有效領導之間的必要平衡。董事會可於任何時候個別及獨立接觸高級管理層及公司秘書。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

All Directors, including independent non-executive Directors, are clearly identified as such in all corporate communications containing the names of the Directors.

Appointment, Re-election and Removal of Directors

Each of the Directors has entered into a service contract or a letter of appointment with the Company for a specific term. The initial term of office for each Director is a term of three years from their respective appointment date and is subject to retirement by rotation at an annual general meeting (the “AGM”) at least once every three years. According to the articles of association of the Company (the “Articles”), one-third of the Directors for the time being shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election at the relevant AGM. In addition, the Articles provide that any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

Shareholders may, at any general meeting of the members convened and held in accordance with the Articles, remove a director at any time before the expiration of his/her period of office notwithstanding to the contrary in the Articles or in any agreement between the Company and such Director.

In accordance with the Company’s Articles, Mr. Chen Weizhong, Mr. Shen Zhenchang and Mr. Ma Chaosong will retire from office as Director by rotation at the forthcoming 2015 AGM and, being eligible, offer themselves for re-election.

本公司在所有載有董事姓名的公司通訊中均已明確識別全體董事(包括獨立非執行董事)的身份。

董事的委任、重選及罷免

各董事已與本公司訂立特定年期的服務合約或委任書。各董事之初始任期為自彼等各自委任日期起計三年，惟須最少每三年於股東週年大會(「股東週年大會」)上輪席告退一次。根據本公司組織章程細則(「細則」)，當時在任之三分之一董事應於各股東週年大會上輪席告退，惟各董事須至少每三年輪席告退一次。退任董事將有資格於相關股東週年大會上膺選連任。此外，細則規定任何為填補臨時空缺而獲董事會委任的董事僅可留任至其獲委任後之本公司首次股東大會為止，而任何作為現有董事會新增成員而獲董事會委任的董事僅可留任至下屆股東週年大會為止。前述獲董事會委任之董事將有資格於相關股東大會上接受重選。

即使會違反細則或本公司與該董事訂立的任何協議，股東可隨時於按照細則召開及舉行的任何股東大會上，罷免任期尚未屆滿的董事。

根據本公司細則，陳衛忠先生、沈振昌先生及馬朝松先生將須於應屆二零一五年股東週年大會輪席退任，並符合資格膺選連任。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Directors' Continuing Professional Development

The Company has regularly provided the Directors with information of relevant training courses. The Directors have provided the Company with a record of their training received in 2014. A summary of the Directors participation in continuous professional training for the year ended 31 December 2014 is as follows:

董事之持續專業發展

本公司定期為董事提供相關培訓課程的資料。董事向本公司提供彼等於二零一四年所接受培訓的記錄。董事於截至二零一四年十二月三十一日止年度參與的持續專業培訓概列如下：

		Attending briefings/ seminars/conferences	Reading materials/ regulatory updates
		出席簡介會/ 座談會/會議	閱覽資料/ 法律更新資料
<i>Executive directors</i> 執行董事			
Mr. Chen Weizhong	陳衛忠先生	✓	✓
Mr. Sheng Mingjian	盛明健先生	✓	✓
Mr. Wang Chao	王超先生	✓	✓
<i>Non-executive directors</i> 非執行董事			
Mr. Zhang Bihong	張弼弘先生	✓	✓
<i>Independent directors</i> 獨立非執行董事			
Mr. Shen Zhenchang	沈振昌先生	✓	✓
Mr. Lei Jiasu	雷家驩先生	✓	✓
Mr. Ma Chaosong	馬朝松先生	✓	✓

Internally, the Company's senior management, including the executive Directors, will implement a training plan and conduct training sessions for its key staff members on a continuing basis. The Directors are required to submit to the Company details of training sessions undertaken by them in each financial year for the Company's maintenance of proper training records of the Directors.

本公司高級管理層(包括執行董事)亦將在內部實施培訓計劃，持續為其主要員工提供培訓環節。董事須向本公司提交彼等於各財政年度所接受的培訓環節詳情，以便本公司妥為存置董事培訓紀錄。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Board and Board Committee Meetings

Under code provision A.1.1 of the Governance Code, the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals and under code provision A.2.7 of the Governance Code, the chairman of the board should at least annually hold meeting with the non-executive Directors (including independent non- executive Directors) without the executive Directors present.

A tentative schedule for regular Board meetings for 2015 has been provided to the Directors. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors must be given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying Board papers will be sent to all Directors at least three days in advance of every regular Board meeting.

All matters and decisions reached, including any concerns raised by Directors or dissenting views expressed, will be recorded in minutes of Board meeting or other Board committees meetings in sufficient detail. Draft and final versions of minutes of Board/Board committee meetings will be sent to all Directors/committee members for comment and records respectively, within reasonable time after the respective meetings are held. The final versions of these minutes are kept by the Company secretary of the Company and are available for inspection at any reasonable time on reasonable notice by any Director and auditor of the Company.

During the year ended 31 December 2014, the Board convened a total of 5 Board meetings, 1 Remuneration Committee meeting, 1 Nomination Committee meeting, 2 Audit Committee meetings, based on the need of the operation and business development of the Company. Besides, the Directors also attended the 2014 AGM, which is the only general meeting held in 2014, to understand the views of the shareholders.

董事會及董事委員會會議

根據管治守則守則條文第A.1.1條，董事會必須定期舉行會議，至少每年舉行四次，約每季一次，而根據管治守則守則條文第A.2.7條，董事會主席應至少每年與非執行董事(包括獨立非執行董事)舉行一次沒有執行董事出席的會議。

本公司已向董事提供董事會二零一五年常規會議的初擬時間表。所有董事將在所有董事會常規會議至少14天前接獲會議通知，且全體董事須有機會提出商討項目或事項列入會議議程。如屬所有其他董事會會議，將會給予合理通知。相關議程及相關董事會文件將在舉行每次常規董事會會議前至少三天送交所有董事。

在董事會會議或其他董事委員會會議的會議紀錄中，將對已達致的所有事項及決定(包括董事提出的任何疑慮或表達的反對意見)作出充分詳的細記錄。各會議結束後，將於合理時間內將董事會/董事委員會會議之會議紀錄的初稿及最後定稿分別發送予全體董事/委員會成員，初稿供董事表達意見，最後定稿則作其記錄之用。該等會議紀錄之最後定稿均由本公司的公司秘書保管，並於接獲任何董事及本公司核數師的合理通知後，於任何合理時間內可供查閱。

截至二零一四年十二月三十一日止年度，基於本公司營運及業務發展需要，董事會共召開5次董事會會議、1次薪酬委員會會議、1次提名委員會會議及2次審核委員會會議。此外，董事亦曾出席二零一四年股東週年大會，其乃於二零一四年舉行的唯一一次股東大會，以了解股東意見。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

All Board members attended the said meetings in person or by means via telephonic conferencing, which constituting presence at a meeting as if he has been present in person under the Articles. The Board intends to meet at least four times per year in the future, and the chairman of the Board intends to hold at least one meeting per year with the non-executive Directors (including the independent non-executive Directors) without the executive Directors present.

During the year ended 31 December 2014, the Board considers that all meetings have been legally and properly convened in compliance with the relevant laws and regulations (including the Listing Rules and the Articles). With the assistance of the company secretary, the chairman of the Board takes the lead to ensure that Board meetings and Board committee meetings are convened in accordance with the requirements set out in the Articles, the terms of reference of the respective Board committees and the Listing Rules. The Director's attendance at the Board meetings is set out in the section headed "Attendance at Board and Board Committee Meetings" below.

Upon making reasonable request to the Company, Board members have the right to seek independent professional advice or services at the Company's expense to assist them to perform their duties to the Company.

Should a potential conflict of interest involving substantial Shareholder(s) or Director(s) arise and the Board considers the matter to be material, the Company will hold a physical Board meeting to discuss and consider the matter, instead of passing a written resolution. Independent non-executive Directors who, and whose associates, have no material interest in the transaction should be required to be present at that Board meeting.

全體董事會成員親身或以電話視像會議方式出席上述會議，根據細則，以電話視像會議方式出席會議構成其親身出席會議。董事會擬於未來每年至少召開四次會議，而董事會主席擬至少每年與非執行董事(包括獨立非執行董事)舉行一次沒有執行董事出席的會議。

截至二零一四年十二月三十一日止年度，董事會認為所有會議均遵循相關法律及法規(包括上市規則及細則)依法及妥善召開。在公司秘書的協助下，董事會主席領導董事會，以確保董事會會議及董事委員會會議均根據細則所載規定、各董事委員會的職權範圍及上市規則召開。董事出席董事會會議之情況載於下文「出席董事會及董事委員會會議」一節。

經向本公司作出合理要求後，董事會成員有權尋求獨立專業意見或服務以協助彼等履行其對本公司的責任，費用由本公司承擔。

倘出現涉及主要股東或董事的潛在利益衝突，而董事會認為有關事項屬重大，則本公司將舉行董事會會議討論及考慮有關事項(而非通過書面決議案)。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事須出席有關的董事會會議。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Attendance at Board and Board Committee Meetings

Attendance of each Director at all the Board meetings, Board committee meetings and 2014 AGM held during 2014 is set out as follows.

出席董事會及董事委員會會議

各董事出席於二零一四年舉行的全部董事會會議、董事委員會會議及二零一四年股東週年大會的情況載列如下。

Name of director	董事姓名	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	2014 AGM
		董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	二零一四年股東週年大會
<i>Executive Directors</i>						
Mr. Chen Weizhong (Chairman of the Board)	陳衛忠先生 (董事會主席)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Sheng Mingjian	盛明健先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Wang Chao	王超先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
<i>Non-executive Directors</i>						
Mr. Zhang Bihong	張弼弘先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
<i>Independent non-executive Directors</i>						
Mr. Shen Zhenchang	沈振昌先生	5/5	2/2	1/1	1/1	0/1
Mr. Lei Jiasu	雷家驩先生	5/5	2/2	1/1	1/1	1/1
Mr. Ma Chaosong	馬朝松先生	5/5	2/2	1/1	1/1	1/1

(D) CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the Governance Code provides that the roles of the chairman and the chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the CEO should be clearly established and set out in writing.

(D) 主席及最高行政人員

管治守則之守則條文第A.2.1條規定，主席與首席執行官(「首席執行官」)的角色應有所區分，並不應由同一人兼任。主席與首席執行官之間職責的分工應清楚界定並以書面形式訂明。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Mr. Chen Weizhong (“**Mr. Chen**”) has continually served as both the chairman and CEO of the Company since its incorporation. He is responsible for managing the Board and the business of the Group. Although this deviates from the practice in code provision A.2.1 of the Governance Code, Mr. Chen has considerable and extensive experience in the cooking wine industry and management in general. The Board believes that it is in the best interest of the Company to have an executive chairman so the Board can benefit from his knowledge of the business and his capability in leading the Board in discussing the strategy and long-term development of the Group.

From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolize the voting result. The Board considers that the balance of power between the Board and the senior management can still be maintained under the current structure and there is no imminent need to change the arrangement. The Remuneration Committee and Nomination Committees also regularly review the structure and composition of the Board and will make appropriate recommendations to the Board regarding any proposed changes.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and implementing a high standard of corporate governance practices.

Mr. Chen, as the chairman of the Board, is responsible for ensuring that the Directors receive in a timely manner, adequate information which is accurate, clear, complete and reliable. He ensures that all Directors are properly briefed on issues arising at the Board meetings. Mr. Chen is also responsible for ensuring good corporate governance practices and procedures are established, all Directors make full and active contribution to the Board's affairs, and the Board acts in the best interests of the Company and its Shareholders.

Under the leadership of Mr. Chen, the Board works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. Appropriate steps are taken to provide effective communication between the Shareholders and the Board. Mr. Chen will ensure appropriate steps are taken and the Shareholders' views are communicated to the Board as a whole.

A culture of openness and constructive relations among Directors are promoted within the Board, facilitating effective contribution of non-executive Directors and ensuring constructive relations between executive and non-executive Directors.

陳衛忠先生(「**陳先生**」)自其註冊成立以來，一直同時出任本公司主席及首席執行官。彼負責管理董事會及本集團業務。儘管這偏離了管治守則之守則條文第A.2.1條的規定，惟陳先生具備相當豐富的料酒行業及整體管理經驗。董事會相信，設立執行主席一職符合本公司的最佳利益，可讓董事會受益於其業務知識及領導董事會討論本集團策略及長期發展的能力。

從企業管治的層面來看，董事會以投票方式集體作出決策，因此主席不能主導投票結果。董事會認為，目前的架構仍能保持董事會與高級管理層之間的權力平衡，並無即時更改該安排之需要。薪酬委員會及提名委員會亦會定期檢討董事會架構及組成，並將就任何潛在變動向董事會作出適當建議。

董事會將繼續檢討及監控本公司的常規，旨在維持及實行高水平的企業管治常規。

作為董事會主席，陳先生負責確保董事及時收到準確、清晰、完整及可靠的充足資料。彼確認全體董事均就於董事會會議上提出之事宜獲得妥善簡報。陳先生亦負責確保維持良好的企業管治常規及程序、全體董事全力積極參與董事會事務，以及董事會的行事符合本公司及其股東的最佳利益。

於陳先生帶領下，董事會有效運作，並履行其職責，及時商討所有關鍵及適當事宜，亦採取適當措施，促進股東與董事會之間的有效溝通。陳先生將確保採取合適步驟及將股東的意見整體傳達至董事會。

董事會內部倡導開誠佈公的文化及董事之間建立建設性關係，為促進非執行董事作出有效貢獻及確保執行董事與非執行董事保持建設性的關係。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

In the year ended 31 December 2014, Mr. Chen, the chairman of the Board has met with the independent non-executive Directors (without the presence of the executive Directors) once to discuss, and obtain independent views of, the Board affairs.

截至二零一四年十二月三十一日止年度，董事會主席陳先生曾在執行董事缺席的情況下與獨立非執行董事進行一次會議，以商討董事會事務及聽取有關方面的獨立意見。

(E) BOARD COMMITTEES

Functions and Duties of the Board

The Board supervises the management of business and affairs of the Company. The primary duties of the Board include:

- (a) overall management of the business and strategic development;
- (b) deciding business plans and investment plans;
- (c) monitoring the ongoing operation of the Company and to ensure that it is managed in the best interests of the Shareholders as a whole while taking into account the interests of other stakeholders;
- (d) convening general meetings and reporting to the Shareholders; and
- (e) exercising other powers, functions and duties conferred by Shareholders in general meetings.

The Board delegates the authority and responsibility of daily operations, business strategies and day to day management of the Company to the CEO and the senior management.

The Board is responsible for performing the corporate governance duties as set out in code provision D.3.1 of the Governance Code including:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;

(E) 董事委員會

董事會的職能及職責

董事會監督本公司業務及事務的管理。董事會的主要職責包括：

- (a) 業務及策略發展的整體管理；
- (b) 決定業務計劃及投資計劃；
- (c) 監督本公司的持續營運，以及確保其管理方式既符合整體股東的最佳利益，同時亦顧及本公司其他持份者的利益；
- (d) 召開股東大會及向股東匯報；及
- (e) 執行股東於股東大會上授予的其他權力、職能及職責。

董事會將本公司日常營運、業務策略及日常管理之職權及責任轉授予首席執行官及高級管理層。

董事會亦負責履行管治守則之守則條文第D.3.1條所載的企業管治職責，包括：

- (a) 制定及檢討本公司的企業管治政策及常規以及向董事會提供推薦建議；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct applicable to Directors, senior management and employees of the Company; and
- (e) to review the Company's compliance with the Governance Code and disclosure in this corporate governance report.

Delegation by the Board

The Board is supported by the Board Committees, and the Board has delegated various responsibilities to the Board Committees, namely the Audit Committee, Remuneration Committee and the Nomination committee. All Board committees perform their distinct roles in accordance with their respective terms of reference which are available to public on the websites of the Company and the Stock Exchange.

The Company has provided the Board Committees with sufficient resources and the Board committees may seek independent professional advice as and when required at the Company's expense.

The senior management, under the leadership of the CEO, is delegated by the Board the authority and responsibility for the daily operations and management of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions to be entered by the Company.

Audit Committee

The Company established the Audit Committee on 17 December 2013 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3.3 of the Governance Code. The Audit Committee has three members, namely Mr. Ma Chaosong, Mr. Lei Jiasu and Mr. Shen Zhenchang. Mr. Ma Chaosong, the Company's independent non-executive Director, has been appointed as the chairman of the Audit Committee, and possess the appropriate professional qualifications required under the Listing Rules. The Audit Committee has access to professional advise, if required, and is provided with sufficient resources to perform its duties.

- (c) 檢討及監察本公司遵守法律及監管規定的政策及常規；
- (d) 制定、檢討及監察適用於董事、本公司高級管理層及僱員的操守守則；及
- (e) 檢討本公司遵守管治守則之情況並於本企業管治報告作出披露。

董事會授權

董事會由董事委員會支持，並已將多項職責轉授予董事委員會，即審核委員會、薪酬委員會及提名委員會。所有董事委員會均根據彼等各自的職權範圍（可供公眾人士於本公司及聯交所的網站查閱）履行彼等獨有的職責。

本公司已向董事委員會提供充足資源，而董事委員會亦可於有需要時尋求獨立專業意見，費用由本公司承擔。

在首席執行官的領導下，高級管理層獲董事會轉授本集團日常營運及管理的權力及責任。所轉授職能及工作任務均獲定期檢討。於本公司訂立任何重大交易之前，均須獲得董事會批准。

審核委員會

本公司於二零一三年十二月十七日設立審核委員會，其書面職能範圍乃遵照上市規則第3.21及3.22條及管治守則之守則條文第C.3.3條制定。審核委員會有三名成員，即馬朝松先生、雷家驊先生及沈振昌先生。本公司的獨立非執行董事馬朝松先生已獲委任為審核委員會主席，並具備上市規則規定的適當專業資格。審核委員會可獲取專業意見（如有需要），並獲提供充足資源以履行其職責。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The primary responsibilities of the Audit Committee are to review and supervise the financial reporting process, financial control, internal control and risk management systems of the Company, nominate and monitor external auditor, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

During the year ended 31 December 2014, the Audit Committee has convened two meetings, with all members present in person or through telephonic conferencing, during which the following works were performed:

- Assess the independence of the Company's auditors;
- Discuss with external auditors about the scope of work and fees in respect of their audit work for the year ended 31 December 2014;
- Met with the Company's external auditor to discuss the audit procedures and accounting issues;
- Reviewed and discussed the audited annual results for the year ended 31 December 2013 and the unaudited interim results for the six months ended 30 June 2014 with the senior management of the Company and external auditor;
- Reviewed the accounting policies adopted by the Group and other issues related to the Company's accounting practice; and
- Appointment of external auditors (subject to AGM approval) and arrangements for the employees to raise concerns about possible improprieties.

The terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The attendance of the Audit Committee members at the above meeting is set out in the above section headed "Attendance at Board and Board Committee Meetings".

審核委員會的主要職責為檢討及監察本公司的財務申報程序、財務監控、內部監控及風險管理制度、提名及監察外聘核數師、監督審核程序以及履行董事會賦予的其他職責及責任。

截至二零一四年十二月三十一日止年度，審核委員會曾召開兩次會議，全體成員親身或以電話會議方式出席會議，在此期間，進行下列工作：

- 評估本公司核數師的獨立性；
- 與外聘核數師討論有關其於截至二零一四年十二月三十一日止年度審核工作的工作範圍及費用；
- 與本公司的外聘核數師會面，商討審核程序及會計事宜；
- 與本公司高級管理層及外聘核數師審閱及討論截至二零一三年十二月三十一日止年度的經審核年度業績及截至二零一四年六月三十日止六個月的未經審核中期業績；
- 檢討本集團所採納的會計政策及有關本公司會計常規的其他事宜；及
- 委任外聘核數師(須獲股東週年大會批准)及安排僱員提高對不當行為的關注。

審核委員會的職權範圍可於本公司及聯交所的網站查閱。

審核委員會成員出席上述會議之情況載於上文「出席董事會及董事委員會會議」一節。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Remuneration Committee

The Company established the Remuneration Committee on 17 December 2013 with written terms of reference in compliance with Rules 3.25 and 3.26 of the Listing Rules and code provision B.1.2 of the Governance Code. The Remuneration Committee has three members, namely Mr. Shen Zhenchang, Mr. Lei Jiasu and Mr. Ma Chaosong. Mr. Shen Zhenchang, the Company's independent non-executive Director, has been appointed as the chairman of the Remuneration Committee. The Remuneration Committee has access to professional advice, if required, and is provided with sufficient resources to perform its duties.

The primary duties of the Remuneration Committee are to review, determine and make recommendations to the Board on the policy and structure of the remuneration (including bonuses and other compensation) payable to the Directors and senior management and make recommendations on employee benefit arrangements.

The Remuneration Committee is also responsible to establish a formal and transparent procedure for development of remuneration policy, and ensuring no Director or his/her associate is involved in deciding his/her own remuneration. The Remuneration Committee will consult with chairman of the Board about the remuneration proposals for the other executive Directors.

The Remuneration Committee of the Company held one meeting in 2014 with all members present in person or through telephonic conferencing, to review and make recommendations on the existing remuneration packages of all Directors and senior management. The attendance of the Remuneration Committee members at the above meeting is set out in the section headed "Attendance at Board and Board Committee Meetings" above.

The terms of reference of the Remuneration Committee is available on websites of the Company's website and the Stock Exchange.

薪酬委員會

本公司於二零一三年十二月十七日設立薪酬委員會，其書面職能範圍乃遵照上市規則第3.25及3.26條以及管治守則之守則條文第B.1.2條制定。薪酬委員會有三名成員，即沈振昌先生、雷家驊先生及馬朝松先生。本公司的獨立非執行董事沈振昌先生已獲委任為薪酬委員會主席。薪酬委員會可獲取專業意見(如有需要)，並獲提供充足資源以履行其職責。

薪酬委員會的主要職責為檢討及釐定應付予董事及高級管理層的薪酬(包括花紅及其他薪酬)政策及架構，並就此向董事會提供推薦建議，以及就僱員福利安排提供推薦意見。

薪酬委員會亦負責建立制訂薪酬政策的正式具透明度之程序，並確保概無董事或其聯繫人參與決定自身的薪酬。薪酬委員會將就其他執行董事的薪酬建議徵詢董事會主席的意見。

本公司薪酬委員會於二零一四年舉行一次會議，全體成員親身或以電話會議方式出席會議，以檢討全體董事及高級管理層的現有薪酬待遇及就此提供推薦意見。薪酬委員會成員出席上述會議之情況載於上文「出席董事會及董事委員會會議」一節。

薪酬委員會的職權範圍可於本公司及聯交所的網站查閱。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Pursuant to code provision B.1.5 of the Governance Code, the annual remuneration of the members of the senior management by band for the year ended 31 December 2014 is set out below:

根據管治守則之守則條文第B.1.5條，截至二零一四年十二月三十一日止年度高級管理層成員按薪酬帶劃分之年度薪酬載列如下：

Remuneration band (RMB) 薪酬帶(人民幣)		Number of Individual 人數
Nil – 1,000,000	零–1,000,000	5
1,000,001 – 1,500,000	1,000,001–1,500,000	—
1,500,001 – 2,000,000	1,500,001–2,000,000	—

Details of the remuneration of each Director for the year ended 31 December 2014 are set out in Note 9 to the financial statements in this annual report.

各位董事於截至二零一四年十二月三十一日止年度之薪酬詳情載於本年報所載財務報表附註9。

Nomination Committee

The Company established the Nomination Committee on 17 December 2013 with written terms of reference in compliance with code provision A.5.1 and A.5.2 of the Governance Code. The Nomination Committee consists of three members, namely Mr. Lei Jiasu, Mr. Shen Zhenchang and Mr. Ma Chaosong. Mr. Lei Jiasu, the Company's independent non-executive Director, has been appointed as the chairman of the Nomination Committee. The Nomination Committee has access to professional advice, if required, and is provided with sufficient resources to perform its duties.

提名委員會

本公司於二零一三年十二月十七日設立提名委員會，其書面職能範圍乃遵照管治守則之守則條文第A.5.1及A.5.2條制定。提名委員會包括三名成員，即雷家驩先生、沈振昌先生及馬朝松先生。本公司的獨立非執行董事雷家驩先生已獲委任為提名委員會主席。提名委員會可獲取獨立專業意見(如有需要)，並獲提供充足資源以履行其職責。

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually and make recommendations on any proposed changes to the Board compositions to complement the Company's corporate strategy. The Nomination Committee is also responsible for identifying suitably qualified individuals and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors. Furthermore, it also assesses the independence of the independent non-executive Directors.

提名委員會的主要職責為每年檢討董事會的架構、規模及組成，並就補充本公司的企業策略而對董事會組成作出的潛在變動提出推薦建議。提名委員會亦負責物色具備合適資格的人士，並就董事委任或重新委任以及董事繼任計劃向董事會提出推薦建議。此外，其亦評核獨立非執行董事的獨立性。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Nomination Committee has held one meeting in 2014, during which the diversity, structure, size and composition of the Board, the independence of the independent non-executive Directors and the qualifications of the retiring directors standing for re-election at the 2014 AGM were reviewed and considered, and relevant recommendation was made to the Board. The attendance of the Nomination Committee members at the above meeting is set out in the section headed "Attendance at Board and Board Committee Meetings" above.

In assessing the Board composition, the Nomination Committee takes into account the various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee discussed and agreed on measurable objectives for achieving diversity on the Board, where necessary, and recommends them to the Board for adoption. The Nomination Committee considers an appropriate balance of diversity perspective of the Board is maintained. The Board Diversity Policy shall be reviewed by the Nomination Committee annually, as appropriate, to ensure its effectiveness.

In selecting candidates for directorship of the Company, the Nomination Committee makes reference to certain criteria such as the Company's needs, the integrity, experience, skills and professional knowledge of the candidate, board diversity aspects and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

提名委員會已於二零一四年舉行一次會議，並於會上檢討及考慮董事會之多元性、架構、規模及組成、獨立非執行董事的獨立性以及於二零一四年股東週年大會上膺選連任之退任董事之資格，並已向董事會作出相關推薦建議。提名委員會成員出席上述會議之情況載於上文「出席董事會及董事委員會會議」一節。

於評估董事會組成時，提名委員會考慮董事會成員多元化政策所載多個方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識以及行業及地區經驗。提名委員會將於必要時討論及一致同意實現董事會多元化的可衡量目標，並推薦予董事會以供採納。提名委員會認為，董事會維持了多元化方面的適當平衡。提名委員會應每年檢討董事會成員多元化政策(如適用)，以確保其有效性。

於篩選本公司董事候選人時，提名委員會參考若干條件，例如本公司的需要、候選人的誠信、經驗、技能及專業知識、董事會成員多元化方面及該候選人對履行其職務及責任將付出的時間及努力。如有需要，可委聘外部招聘專業人士進行篩選程序。

提名委員會的職權範圍可於本公司及聯交所的網站查閱。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(F) COMPLIANCE ADVISOR

The Company has appointed TC Capital Asia Limited as its compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise the Company under the following circumstances:

- the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- where the Company proposes to use the proceeds of the IPO in a manner different from that detailed in the Prospectus or where the Company's business activities, developments or results deviate from any forecast, estimate, or other information as set out in the Prospectus; and
- where the Stock Exchange makes an inquiry of the Company under Rule 13.10 of the Listing Rules.

The term of the appointment has commenced on the Listing Date and will end on the date on which the Company distributes the annual report in respect of the financial results for the first full financial year commencing after the Listing Date in accordance with Rule 13.46 of the Listing Rules and such appointment may be subject to extension by mutual agreement.

(G) AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's external auditor, Ernst & Young, during the year ended 31 December 2014 is set out below:

Service Category	服務類別	Remuneration Paid/Payable
		已付/應付酬金
		RMB
		人民幣
Audit Services	核數服務	1,200,000
Non-audit Services	非核數服務	
— Agreed upon procedures on interim report	— 中期報告商定程序	200,000
Total	總計	1,400,000

(F) 合規顧問

本公司已遵照上市規則第3A.19條，委任天財資本亞洲有限公司擔任其合規顧問。根據上市規則第3A.23條，合規顧問將就以下情況為本公司提供建議：

- 刊發任何監管公告、通函或財務報告；
- 擬進行可能屬須予公佈交易或關連交易的交易(包括股份發行及股份購回)時；
- 本公司首次公開發售所得款項之擬定用途有別於招股章程所詳述者，或本公司業務活動、發展或業績偏離招股章程所載之任何預測、估計或其他資料；及
- 聯交所根據上市規則第13.10條向本公司作出查詢時。

此委任的任期已由上市日期起開始，並將至本公司根據上市規則第13.46條就上市日期後開始的首個完整財政年度的財務業績派發年報當日結束，而此委任可經雙方協定予以延期。

(G) 核數師酬金

截至二零一四年十二月三十一日止年度，已付或應付予本公司外聘核數師安永會計師事務所之酬金載列如下：

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditors for annual audit and non-audit services is reasonable. There has been no major disagreement between the auditors and the management of the Company during the year ended 31 December 2014.

The Audit Committee is responsible to make recommendation to the Board as to the appointment, reappointment and removal of the external auditors. There is no disagreement between the Board and the Audit Committee regarding the re-appointment of Ernst & Young as the Company's external auditors for the financial year ending 31 December 2015 which is subject to the approval by the Shareholders at the forthcoming AGM of the Company to be held on 29 May 2015 ("**2015 AGM**").

(H) DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare accounts of the Group and other financial disclosures required under the Listing Rules and the Company's management will provide information and explanation to the Board to enable it to make informed assessments of the financial and other decisions.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors of the Company in respect of their reporting responsibilities on the Company's financial statements for the year ended 31 December 2014 is set out in the "Independent Auditors' Report" contained in this annual report.

審核委員會已向董事會反映其意見，表示已付／應付本公司外聘核數師提供年度核數及非核數服務的費用水平屬合理。核數師與本公司管理層於截至二零一四年十二月三十一日止年度並無任何重大意見分歧。

審核委員會負責就外聘核數師的委聘、續聘及罷免向董事會提出推薦建議。董事會與審核委員會就續聘安永會計師事務所為本公司截至二零一五年十二月三十一日止財政年度之外聘核數師並無意見分歧，惟須經股東於本公司於二零一五年五月二十九日舉行之應屆股東週年大會（「二零一五年股東週年大會」）上批准方可作實。

(H) 董事就財務報表之財務申報責任

董事確認，彼等負責根據上市規則規定編製本集團賬目及其他財務披露，而本公司管理層將為董事會提供資料及解釋，令董事會可對財務及其他決定作出知情評估。

董事並無發現有關事件或狀況的任何重大不確定因素會導致本公司繼續持續經營的能力出現重大疑問。

本公司核數師就其對本公司截至二零一四年十二月三十一日止年度財務報表之申報責任發出的聲明載於本年報所載的「獨立核數師報告」。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(I) INTERNAL CONTROL

The Board is responsible for maintaining effective internal controls and conducting regular review on the effectiveness of the internal control system of the Company. Procedures have been designed for safeguarding assets against unauthorized use or disposition, maintaining of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations. However, the system can only provide reasonable but not absolute assurance against misstatements or losses.

The Board is responsible for presenting a balanced and clear assessment of the Group's performance and prospects. Management of the Company provides all relevant information to the Board, giving its members sufficient information and explanation that it needs to discharge their responsibilities.

During the year ended 31 December 2014, the Audit Committee and the Board conducted a review of the effectiveness of the internal control system of the Company, respectively including the adequacy of resources, staff qualifications and experiences, training programs and budget of the Company's accounting and financial reporting function. The Board considers that there are no significant defects in the Company's internal control systems in terms of completeness, reasonableness and effectiveness.

The Articles set out matters which are specifically reserved to the Board for its decision. The management team of the Company holds meetings regularly to review and discuss with executive Directors on daily operational issues, financial and operating performance as well as to monitor and ensure the management properly implement the directions and strategies set by the Board.

The senior management of the Company has provided the Board with sufficient explanation and information to enable the Board to make an informed assessment of financial and other information put before it for approval.

(I) 內部監控

董事會負責維持有效的內部監控及定期檢討本公司內部監控制度的有效性。本公司已設計程序，以保障資產免被非法使用或處置，保持恰當的會計記錄以提供可靠之財務資料供內部使用或公佈，及確保遵守適用法律、規例及法規。然而，該制度僅可就防止錯誤陳述或損失提供合理而非絕對的保證。

董事會負責呈列有關本集團表現及前景的均衡清晰的評估。本公司管理層向董事會提供一切相關資料，令其成員獲得履行其職責所需的充分資料及解釋。

截至二零一四年十二月三十一日止年度，審核委員會及董事會已分別對本公司內部監控制度的成效進行了一次檢討，包括本公司會計及財務申報職能的資源充足性、員工資格及經驗、培訓計劃及預算。董事會認為，本公司內部監控制度在完整性、合理性及有效性方面概無重大缺陷。

細則已載列特定留待董事會決定的事項。本公司管理團隊定期舉行會議，與執行董事進行檢討及討論，內容包括日常營運事宜、財務及經營表現，以及監察及確保管理層妥善落實董事會制定的方向及策略。

本公司高級管理層已向董事會提供充份說明及資料，確保董事會可於批准財務及其他資料前作出知情評估。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

(J) COMPANY SECRETARY

Mr. Au Wai Keung (“**Mr. Au**”) served as the company secretary of the Company during the year ended 31 December 2014. Mr. Au is a director, a shareholder and the founder of Arion and Associates Limited, a corporate secretarial and accounting services provider in Hong Kong. Mr. Au possesses the professional qualifications that the Stock Exchange has considered acceptable and has taken no less than 15 hours of professional training during the year ended 31 December 2014.

Mr. Au’s primary contact person at the Company is Mr. Chen Weizhong, the chairman, CEO and executive Director of the Company.

Mr. Au is responsible for providing advice to the Board on corporate governance matters.

(K) SHAREHOLDERS’ RIGHT

To safeguard Shareholders’ interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at Shareholders’ meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company (www.hzlaohenghe.com) and Stock Exchange after each Shareholders’ meeting. The Articles allow a Shareholder to attend and vote at a general meeting or to appoint a proxy, who needs not be a Shareholder, to attend the meeting and vote thereat on his/her/its behalf.

Pursuant to the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

With respect to the Shareholders’ right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

(J) 公司秘書

截至二零一四年十二月三十一日止年度，區偉強先生(「區先生」)擔任本公司公司秘書一職。區先生為一家在香港企業秘書及會計服務供應商亞利安會計事務所有限公司之董事、股東及創辦人。區先生擁有聯交所認可之專業資格，並於截至二零一四年十二月三十一日止年度接受不少於15小時之專業培訓。

區先生於本公司之主要聯絡人為本公司主席、首席執行官兼執行董事陳衛忠先生。

區先生負責就企業管治事宜向董事會提供意見。

(K) 股東權利

為保障股東利益及權利，將於股東大會上就各個別重大事項(包括選舉個別董事)提呈獨立決議案。根據上市規則，所有於股東大會上提呈的決議案將以投票方式表決，而投票結果將於各股東大會後刊登於本公司網站(www.hzlaohenghe.com)及聯交所網站。細則允許股東有權出席股東大會及於會上投票或委聘代表(毋須為股東)代表其出席大會及於會上投票。

根據細則，任何於提請要求當日持有不少於本公司繳足股本(賦有權利在本公司股東大會投票)十分之一的一名或多名股東，應有權向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的任何事務交易；該會議須於提請該要求後兩個月內舉行。倘董事會於該提請後21日內未有召開該會議，則提請要求的人士可以同樣方式自行召開會議，且本公司須償還提請要求的人士因董事會未有召開該會議而引致的所有合理開支。

關於股東提名董事候選人之權利，請參閱本公司網站所載之程序。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Shareholders and potential investors are welcome to communicate with the Company by email: xingzheng@hzlaohenghe.com. Shareholders may also put forward their written enquiries or requisitions to the Board at Balidian Town, Food and Industrial Park, Wuxing District, Huzhou City, PRC (Attention: the Board of Directors).

開曼群島公司法或細則並無條文准許股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東大會。

歡迎股東及潛在投資者電郵至 xingzheng@hzlaohenghe.com 與本公司溝通。股東亦可將書面詢問或請求寄予董事會，地址為中國湖州市吳興區八里店鎮食品工業園(收件人：董事會)。

(L) INVESTOR RELATIONS

The Company believes that effective and proper investor relations play a vital role in creating Shareholders' value, enhancing the corporate transparency as well as establishing market confidence. The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. Updated key information and business development of the Group are also available on the Company's website to enable Shareholders and investors to have timely access to information about the Group.

The Company also endeavours to maintain an on-going dialogue with Shareholders and in particular, through general meetings which provides a forum for Shareholders to raise comments and exchange views with the Board. Directors (or their delegates as appropriate) will be available at the AGMs of the Company to address Shareholders' queries.

The Company will continue to take measures to ensure effective Shareholders' communication and transparency.

(L) 投資者關係

本公司相信，與投資者建立有效及適當的關係對營造股東價值、提高公司透明度及建立市場信心起著重要作用。本公司根據上市規則披露資料，及根據有關法律及法規向公眾人士刊發定期報告及公告。本公司盡力確保及時披露資料，而有關資料實屬公正、準確及完整，務求使股東、投資者及公眾人士能作出合理的知情決定。本集團最新的重要資料及業務發展亦會刊登於本公司網站，以使股東及投資者及時獲得有關本集團的資料。

本公司亦竭力與股東保持持續對話，尤其是，透過股東大會為股東提供提出意見及與董事會交換意見的討論會。董事(或其代表(如適用))將於本公司股東週年大會上處理股東的詢問。

本公司將繼續採取措施確保有效的股東交流及透明度。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

There has been no change in the Articles since the Listing Date. An up to date version of the Articles is available on the websites of the Stock Exchange and the Company.

The 2014 AGM was an important occasion where the Board and the Shareholders could communicate directly with each other. The chairmen of the Board, the directors and the external auditor, Ernst & Young, were present at the 2014 AGM to communicate with the Shareholders. The 2014 AGM circular distributed to all Shareholders before the 2014 AGM contained information regarding the proposed resolutions.

In addition, the Company has announced its annual and interim results in a timely manner in accordance with the requirements of the Listing Rules.

The Company will strive to strengthen investor relationships and maintain transparency of the operating strategies, financial performance and development prospects of the Company.

自上市日期起，細則並無變動。細則的最新版本可於聯交所及本公司網站查閱。

二零一四年股東週年大會為董事會與股東互相直接溝通的重要機會。董事會主席、董事與外聘核數師安永會計師事務所均已出席二零一四年股東週年大會與股東溝通。於二零一四年股東週年大會舉行前派發予全體股東的二零一四年股東週年大會通函載有建議決議案的相關資料。

此外，本公司已根據上市規則的規定及時公佈其年度及中期業績。

本公司將致力強化投資者關係，以及維持本公司經營策略、財務表現及發展前景的透明度。

DIRECTORS' REPORT

董事會報告

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on 4 December 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company is an investment holding company, and its subsidiaries established in the PRC are primarily engaged in the manufacturing of cooking wine and other condiment products in China under the "Lao Heng He" (「老恒和」) brand.

The activities and particulars of the Company's subsidiaries are shown under Note 17 to the financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Notes 6 and 7 to the financial statements.

RESULTS AND DIVIDEND

The consolidated results of the Group for the year ended 31 December 2014 are set out on pages 71 to 72 of this annual report.

The Board is pleased to recommend the payment of a final dividend of RMB10.0 cents per ordinary Share (the "**Proposed Final Dividend**") for the year ended 31 December 2014. Subject to the approval of the Proposed Final Dividend by the Shareholders at the 2015 AGM to be held on 29 May 2015, it is expected and, if approved, that the Proposed Final Dividend will be payable on or before 3 July 2015 to the Shareholders whose names are listed on the register of members of the Company on 12 June 2015.

董事會欣然提呈本集團截至二零一四年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司於二零一二年十二月四日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司為投資控股公司，其於中國成立的附屬公司主要從事於中國生產「老恒和」牌料酒及其他調味品。

本公司附屬公司的業務及詳情載於財務報表附註17。本集團年內收入及經營利潤按主要業務劃分之分析載於本年報「管理層討論與分析」一節及財務報表附註6和7。

業績及股息

本集團截至二零一四年十二月三十一日止年度之綜合業績載於本年報第71至72頁。

董事會欣然建議派付截至二零一四年十二月三十一日止度期末股息每普通股人民幣10.0分(「**建議期末股息**」)。建議期末股息須待股東於二零一五年五月二十九日舉行之二零一五年股東週年大會上批准方可作實，如獲批准，預期建議期末股息將於二零一五年七月三日或之前派付予於二零一五年六月十二日名列本公司股東名冊之股東。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

CLOSURE OF THE REGISTER OF MEMBERS

(A) For Determining the Entitlement to Attend and Vote at the 2015 AGM

The register of members of the Company will be closed from 27 May 2015 to 29 May 2015 (both days inclusive), during which period no transfer of Shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the 2015 AGM, all Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 26 May 2015.

(B) For Determining the Entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from 10 June 2015 to 12 June 2015, (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the Proposed Final Dividend, all completed Share transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 9 June 2015.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on pages 3 to 4 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 15 to the financial statements in this annual report.

暫停辦理股份過戶登記

(A) 確定出席二零一五年股東週年大會及於會上投票的資格

本公司將於二零一五年五月二十七日至二零一五年五月二十九日(包括首尾兩日)暫停辦理股份過戶登記手續,期間將不會進行股份過戶。為確定有權出席二零一五年股東週年大會並於會上投票之股東身份,所有過戶文件連同有關股票,須於二零一五年五月二十六日下午四時三十分前交回本公司之香港股份過戶登記分處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

(B) 確定收取建議期末股息之權利

本公司將於二零一五年六月十日至二零一五年六月十二日(包括首尾兩日)暫停辦理股份過戶登記手續,期間將不會進行股份過戶。為符合資格收取建議期末股息,所有填妥之股份過戶表格連同有關股票,須於二零一五年六月九日下午四時三十分前交回本公司之香港股份過戶登記分處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

財務概要

本集團過去五個財政年度的已公佈業績及資產及負債概要載於本年報第3至4頁。

物業、廠房及設備

本集團年內物業、廠房及設備變動詳情載於本年報財務報表附註15。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

SHARE CAPITAL

Details of the movements in the Company's share capital during the year ended 31 December 2014 are set out in Note 27 to the financial statements in this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

DISTRIBUTABLE RESERVES

As at 31 December 2014, the Company's reserves available for distribution amounted to RMB695.8 million of which RMB51.9 million has been proposed as a final dividend for the year ended 31 December 2014.

RESERVES

Details of the movement in the reserves of the Group and of the Company during the year are set out in Note 28 to the financial statements in this annual report.

BANKING FACILITIES AND OTHER BORROWINGS

Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 24 to the financial statements in this annual report.

The Directors are not aware of any circumstances which would give rise to disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2014.

股本

本公司於截至二零一四年十二月三十一日止年度之股本變動詳情載於本年報財務報表附註27。

優先購買權

細則或開曼群島法律並無有關優先購買權的任何規定，規限本公司須向現有股東按其持股比例發售新股份。

可供分派儲備

於二零一四年十二月三十一日，本公司之可供分派儲備為人民幣695.8百萬元，其中人民幣51.9百萬元已獲建議作為截至二零一四年十二月三十一日止年度之末期股息。

儲備

本集團及本公司年內儲備變動詳情載於本年報財務報表附註28。

銀行融資及其他借款

借款詳情載於本年報「管理層討論與分析」一節及本年報財務報表附註24。

董事並不知悉於二零一四年十二月三十一日有任何將導致根據上市規則第13.18條履行披露責任的情況。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during 2014.

DIRECTORS

The Directors who held office during the year ended 31 December 2014 and up to the date of this annual report are:

Executive Directors

Mr. Chen Weizhong (*Chairman*)
Mr. Sheng Mingjian
Mr. Wang Chao

Non-executive Director

Mr. Zhang Bihong

Independent Non-executive Directors

Mr. Shen Zhenchang
Mr. Ma Chaosong
Mr. Lei Jiasu

Pursuant to the provisions in the Articles and the wishes of the Directors, Mr. Chen Weizhong, Mr. Shen Zhenchang and Mr. Ma Chaosong will retire from office as Director by rotation at the forthcoming 2015 AGM and, being eligible, offer themselves for re-election.

The Company's circular to be despatched to Shareholders will contain detailed information of the Directors standing for re-election.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the independent non-executive Directors are independent.

購買、出售或贖回本公司上市證券

本公司及其任何附屬公司於二零一四年並無購買、出售或贖回本公司之任何上市證券。

董事

截至二零一四年十二月三十一日止年度及直至本年報日期在任之董事載列如下：

執行董事

陳衛忠先生(主席)
盛明健先生
王超先生

非執行董事

張弼弘先生

獨立非執行董事

沈振昌先生
馬朝松先生
雷家驕先生

根據細則之條文及董事之意願，陳衛忠先生、沈振昌先生及馬朝松先生將於應屆二零一五年股東週年大會上輪席退任董事職務，惟彼等符合資格並同意膺選連任。

本公司將於寄發予股東的通函載列有關膺選連任董事的詳情。

獨立非執行董事之獨立性

董事會接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書，並認為全體獨立非執行董事均屬獨立人士。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out in the section headed "Profile of Directors and Senior Management" on pages 15 to 20 of this annual report.

DIRECTORS' SERVICE CONTRACTS

As at 31 December 2014, none of the Directors (including those Directors proposed for re-election at the forthcoming AGM) has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or its subsidiaries, as applicable, within one year without payment of compensation, other than statutory compensation.

CONTRACTS WITH DIRECTORS AND CONTROLLING SHAREHOLDERS

No contract of significance (as defined under Notes 16.1 and 16.2 of Appendix 16 to the Listing Rules) has been entered into between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries during the year ended 31 December 2014.

No contract of significance (as defined under Notes 15.2 and 15.3 of Appendix 16 to the Listing Rules) which the Company or any of its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2014.

董事及高級管理人員履歷詳情

本年報日期之董事及本集團高級管理人員履歷詳情載於本年報第15頁至20頁「董事及高級管理人員履歷」一節。

董事的服務合約

於二零一四年十二月三十一日，概無董事(包括擬於應屆股東週年大會上重選的董事)與本公司或其任何附屬公司訂立本公司不可於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

與董事及控股股東的合約

截至二零一四年十二月三十一日止年度，本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無訂立任何重大合約(定義見上市規則附錄16附註16.1及16.2)。

本公司或其任何附屬公司概無於年終或截至二零一四年十二月三十一日止年度內任何時間存續而董事(不論直接或間接)於其中擁有重大權益之任何重大合約(定義見上市規則附錄16附註15.2及15.3)。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management members of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The remuneration (including fees, salaries and other benefits, retirement benefit scheme contribution) paid to the Company's Directors in aggregate for the years ended 31 December 2013 and 2014 were approximately RMB126,000 and RMB1,034,000, respectively.

The remuneration (including salaries and other benefits, retirement benefit scheme contribution) paid to our Group's five highest paid individuals in aggregate for the years ended 31 December 2013 and 2014 were approximately RMB494,000 and RMB1,187,000, respectively.

For the year ended 31 December 2014, no emoluments were paid by our Group to any director of the Company or any of the five highest paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office. None of the directors has waived any emoluments for the year ended 31 December 2014.

Details of the Directors' emoluments and the emoluments of the five highest paid individuals in the Group are set out in Note 9 and Note 10 of the financial statements in this annual report.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2014, by our Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors nor the controlling Shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or was likely compete with, either directly or indirectly, the business of the Group.

董事及高級管理人員酬金

董事及本集團高級管理層成員之酬金由董事會參考薪酬委員會給出的建議釐定，並考慮本集團的經營業績、個人表現及可比較市場數據。

截至二零一三年及二零一四年十二月三十一日止年度，向本公司董事支付的薪酬(包括袍金、工資和其他福利、退休福利計劃供款)總計分別約人民幣126,000元及人民幣1,034,000元。

截至二零一三年及二零一四年十二月三十一日止年度，向本集團五位最高薪人士支付的薪酬(包括工資和其他福利、退休福利計劃供款)總計分別約人民幣494,000元及人民幣1,187,000元。

截至二零一四年十二月三十一日止年度，本集團概無向本公司任何董事或五位最高薪酬人士支付薪酬，作為加入或於加入本集團時的酬金或作為離職補償。概無董事就截至二零一四年十二月三十一日止年度放棄任何酬金。

董事薪酬及本集團五位最高薪酬人士之薪酬詳情載於本年報財務報表附註9和附註10。

除上文披露者外，截至二零一四年十二月三十一日止年度，概無由本集團或代表任何董事支付或應付任何其他款項。

董事於競爭業務的權益

於年內，概無董事或本公司控股股東或彼等各自的聯繫人(如上市規則所定義)在直接或間接與本集團業務競爭或可能競爭的業務中擁有任何權益。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

On 8 January 2014, Mr. Chen Weizhong and Key Shine Global Holdings Limited (the “**Covenanters**”), and the Company (for itself and as trustee for each of its subsidiaries) entered into a deed of non-competition (the “**Non-competition Deed**”), pursuant to which each of the Covenanters has irrevocably, jointly and severally given certain non-competition undertakings to the Company (for itself and as trustee for each of its subsidiaries). Details of which are set out in the section headed “Relationship with Our Controlling Shareholders – Non-competition Undertaking” in the Prospectus.

The Covenanters declared that they have complied with the Non-competition Deed. The independent non-executive Directors have conducted such review for the year ended 31 December 2014 and also reviewed the relevant undertakings and are satisfied that the Non-competition Deed has been fully complied.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence as at the end of the year or at any time during 2014.

LOAN OR GUARANTEE FOR LOAN GRANTED TO THE DIRECTORS

During 2014, the Group had not made any loan or provided any guarantee for any loan, directly or indirectly, to the Directors, senior management, its ultimate controlling Shareholders or their respective connected persons.

於二零一四年一月八日，陳衛忠先生與Key Shine Global Holdings Limited (「**契諾人**」)及本公司(為其本身及作為其各附屬公司之信託人)訂立一份不競爭契據(「**不競爭契據**」)。據此，各契諾人已不可撤回地共同及個別向本公司(為其本身及作為其各附屬公司之信託人)作出若干不競爭承諾。相關詳情載於招股章程「與我們控股股東的關係 – 不競爭承諾」一節。

契諾人宣佈彼等已遵守不競爭契據。獨立非執行董事已於截至二零一四年十二月三十一日止年度開展有關檢討並亦已檢討相關承諾且信納已完全遵守不競爭契據。

管理合約

除董事之服務合約及委任函件以外，於年末或二零一四年內任何時間，概無訂立或存在與本集團整體或任何重大部分業務的管理及行政事務有關的合約。

向董事授予的貸款或貸款擔保

於二零一四年，本集團並未向董事、高級管理層、其最終控股股東或彼等各關連人士直接或間接提供任何貸款或就任何貸款提供擔保。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 31 December 2014, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of the associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Interests in Shares and underlying Shares of the Company as at 31 December 2014

董事及最高行政人員於證券之權益

於二零一四年十二月三十一日，本公司董事及最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例之該等條文彼等被視為或被當作擁有)；或(b)根據證券及期貨條例第352條須記錄於該條所述登記冊內；或(c)根據標準守則須知會本公司及聯交所之權益或淡倉：

截至二零一四年十二月三十一日於股份及本公司相關股份之權益

Name of Director	董事姓名	Capacity/Nature of Interest	Number of Underlying Shares	Approximate percentage of the Company's issued share capital 佔本公司已發行股本概約百分比
Name of Director	董事姓名	身份／權益性質	相關股份數目	
Mr. Chen Weizhong	陳衛忠先生	interest in a controlled corporation 受控制法團權益	278,169,750	53.62%

Save as disclosed above and to the best knowledge of the Directors, as at 31 December 2014, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company and or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

除上文所披露者外及據董事所知，於二零一四年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例彼等各自被視為或被當作擁有)；或根據證券及期貨條例第352條須列入該條所述登記冊內；或根據標準守則須知會本公司及聯交所之任何權益及／或淡倉。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2014 or the period following 31 December 2014 up to the date of this annual report, was the Company or any of its subsidiaries or holding company or any of the subsidiaries of the Company's holding company a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during such period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2014, so far as are known to the Board, the following parties were recorded in the register, kept by the Company pursuant to Section 336 of the SFO, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

董事購買股份或債券之權利

截至二零一四年十二月三十一日止年度或於二零一四年十二月三十一日後直至本年報日期期間內任何時間，本公司或其任何附屬公司或控股公司或任何本公司控股公司之附屬公司概無參與任何安排，致使董事或本公司主要行政人員或彼等各自的聯繫人可透過購買本公司或其他任何法人團體之股份或債券而獲取利益，以及概無董事及主要行政人員或彼等之配偶及18歲以下之子女擁有任何認購本公司證券之權利，或已於該期間內行使任何該等權利。

主要股東於證券之權益

於二零一四年十二月三十一日，據董事會所知，下列人士於本公司根據證券及期貨條例第336條規定須存置之登記冊所記錄直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益：

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

Long positions in the Shares and underlying Shares of the Company as at 31 December 2014

截至二零一四年十二月三十一日於本公司股份及相關股份之好倉

Name	姓名	Nature of interests 權益性質	Number of Shares held 持有股份數目	Approximate percentage of the Company's issued Share capital ⁽⁷⁾ 佔本公司已發行股本概約百分比 ⁽⁷⁾
Mr. Chen Weizhong	陳衛忠先生	Interest in a controlled corporation 受控制法團權益	278,169,750	53.62%
Ms. Ho Ping Tanya	何平女士	Interest in a controlled corporation 受控制法團權益	96,830,250	18.67%
Ms. Xing Liyu ⁽¹⁾	邢利玉女士 ⁽¹⁾	Interest of spouse 配偶權益	278,169,750	53.62%
Mr. Wong Kin San ⁽²⁾	Wong Kin San 先生 ⁽²⁾	Interest of spouse 配偶權益	96,830,250	18.67%
Key Shine Global Holdings Limited ⁽³⁾	Key Shine Global Holdings Limited ⁽³⁾	Beneficial owner 實益擁有人	278,169,750	53.62%
Foremost Star Holdings Limited ⁽⁴⁾	Foremost Star Holdings Limited ⁽⁴⁾	Beneficial owner 實益擁有人	96,830,250	18.67%
Power Success Global Investments Limited ⁽⁵⁾	Power Success Global Investments Limited ⁽⁵⁾	Person having a security interest 持有股份保證權益的人士	100,000,000 ⁽⁶⁾	19.28%
Chan Chi Hung	Chan Chi Hung	Interest in a controlled corporation 受控制法團權益 Beneficial owner 實益擁有人	100,000,000 2,243,500	19.28% 0.43%

Notes:

附註:

- | | |
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| <p>(1) Ms. Xing Liyu is the spouse of Mr. Chen Weizhong. Under the SFO, Ms. Xing Liyu is deemed to be interested in the same number of Shares in which Mr. Chen is interested.</p> <p>(2) Mr. Wong Kin San is the spouse of Ms. Ho Ping Tanya. Under the SFO, Mr. Wong Kin San is deemed to be interested in the same number of Shares in which Ms. Ho Ping Tanya is interested in.</p> <p>(3) The entire issued share capital of Key Shine Global Holdings Limited is legally and beneficially owned by Mr. Chen Weizhong.</p> <p>(4) The entire issued share capital of Foremost Star Holdings Limited is legally and beneficially owned by Ms. Ho Ping Tanya.</p> <p>(5) The entire issued share capital of Power Success Global Investment is legally and beneficially owned by Mr. Chan Chi Hung.</p> <p>(6) The Company issued 100,000,000 warrants to Power Success Global Investments Limited on 2 September 2014, each warrant conferring Power Success Global Investments Limited the rights to subscribe for one share at a subscription price of HK\$8.00 per Share, subject to adjustment, during a period of 12 months commencing from 2 September 2014. As at the date of this annual report, no warrants have been exercised.</p> <p>(7) The percentage of shareholding is calculated on the basis of 518,750,000 issued shares of the Company as at 31 December 2014.</p> | <p>(1) 邢利玉女士為陳衛忠先生的配偶。根據證券及期貨條例，邢利玉女士被視為於陳先生所擁有股份中擁有相同股份數目的權益。</p> <p>(2) Wong Kin San 先生為何平女士的配偶。根據證券及期貨條例，Wong Kin San 先生被視為於何平女士所擁有股份中擁有相同股份數目的權益。</p> <p>(3) Key Shine Global Holdings Limited 的全部已發行股本由陳衛忠先生合法實益擁有。</p> <p>(4) Foremost Star Holdings Limited 的全部已發行股本由何平女士合法實益擁有。</p> <p>(5) Power Success Global Investment 之全數已發行股本由 Chan Chi Hung 先生合法實益擁有。</p> <p>(6) 於二零一四年九月二日，本公司向 Power Success Global Investments Limited 發行 100,000,000 份認股權證。每份認股權證均賦予 Power Success Global Investments Limited 權利於二零一四年九月二日起計 12 個月期間以認購價每股股份 8.00 港元（可作調整）認購一股股份。於本年報日期，概無認股權證獲行使。</p> <p>(7) 股權百分比乃基於本公司於二零一四年十二月三十一日之 518,750,000 股已發行股份計算。</p> |
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DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

MAJOR SUPPLIERS AND CUSTOMERS

In the year ended 31 December 2014, the Group's largest customer accounted for 21.7% of the Group's total revenue. The Group's five largest customers accounted for 71.3% of the Group's total revenue.

In the year ended 31 December 2014, the Group's largest supplier accounted for 21.2% of the Group's total purchases. The Group's five largest suppliers accounted for 66.8% of the Group's total purchases.

Saved as disclosed above, none of the Directors or any of their associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

EMPLOYEES

As of 31 December 2014, the Group had approximately 329 full-time employees, as compared to 202 employees as at 31 December 2013. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, bonus and other employee benefits and are determined with reference to their experience, qualifications, competence and general market conditions.

The emoluments payable to the Directors will depend on their respective contractual terms under their employment contracts or service agreements as approved by the Remuneration Committee and Nomination Committee, having regard to the Company's operating results, individual performance and comparable market statistics. No Director should determine his or her own remuneration.

Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in Notes 9 and 10 to the financial statements in this annual report.

主要供應商及客戶

截至二零一四年十二月三十一日止年度內，本集團最大客戶佔本集團總收益的21.7%。本集團五大客戶佔本集團總收益的71.3%。

截至二零一四年十二月三十一日止年度內，本集團最大供應商佔本集團採購總額的21.2%。本集團五大供應商佔本集團採購總額的66.8%。

除上文所披露者外，概無董事或彼等之任何聯繫人(定義見上市規則)或任何股東(就董事所深知，擁有本公司已發行股本超過5%權益)於本集團之五大供應商或本集團之五大客戶中擁有任何實益權益。

僱員

截至二零一四年十二月三十一日，本集團聘有約329名全職僱員，而於二零一三年十二月三十一日為202名僱員。本集團與僱員訂立僱傭合約，訂明職位、僱用年期、工資、僱員福利、違約責任及終止理由等事宜。本集團僱員的報酬包括基本薪金、津貼、花紅及其他僱員福利，並參考彼等之經驗、資格、能力及一般市況釐定。

應付董事之薪酬將取決於彼等各自的僱傭合約或服務協議項下之合約條款(經薪酬委員會及提名委員會批准)，並已考慮本公司之經營業績、個人表現及可資比較市場統計數據而釐定。董事概不得釐定其自身之薪酬。

董事之薪酬及本集團五名最高薪酬人士之薪酬詳情載於本年報財務報表附註9及附註10。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

RETIREMENT BENEFITS SCHEME

The Company participates in the Mandatory Provident Fund Schemes (“**MPF Schemes**”) registered under the Mandatory Provident Scheme Fund Ordinance. The contributions represent contributions payable to the MPF Schemes by the Company in accordance with government regulations.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute to the retirement benefits schemes based on a certain percentage of their payroll to fund the benefits. The only obligation of the Group with respect to these retirement benefits schemes is to make the required contributions under the schemes.

Contributions paid or payable for these retirement benefits schemes for the year of 2014 are RMB1.7 million (2013: RMB1.1 million). No forfeited contributions are available to reduce the contribution payable by the Group in future years.

CONTINUING CONNECTED TRANSACTION

During the year ended 31 December 2014, our Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of chapter 14A of the Listing Rules.

Save as disclosed under the section headed “Related Party Transactions” stated in Note 32 to the financial statements in this annual report, no contract of significance in relation to the Group’s business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2014.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2014, which did not constitute connected transactions under chapter 14A of the Listing Rules are set out in Note 32 of the financial statements in this annual report.

退休福利計劃

本公司已參與根據強制性公積金條例登記之強制性公積金計劃(「強積金計劃」)。供款相等於本公司依照政府規例應付予強積金計劃之供款。

中國附屬公司僱用之僱員為中國政府所經營之國家管理退休福利計劃之成員。中國附屬公司照規定須按彼等工資之若干百分比供款予退休福利計劃以支付福利開支。本集團就此等退休福利計劃之唯一責任為根據計劃作出規定供款。

二零一四年就該等退休福利計劃已付或應付之供款為人民幣1.7百萬元(二零一三年：人民幣1.1百萬元)。概無任何已沒收供款可供減少本集團於未來年度應付的供款。

持續關連交易

截至二零一四年十二月三十一日止年度，本集團並無訂立任何根據上市規則第14A章之規定須予披露之關連交易或持續關連交易。

除本年報財務報表附註32所載「關聯方交易」一節所披露者外，截至二零一四年十二月三十一日止年度，本集團概無訂立與業務有關的任何重要合約而董事直接或間接獲得重大利益。

關聯方交易

截至二零一四年十二月三十一日止年度，本集團關聯方交易(不構成上市規則第14A章項下之持續關連交易)之詳情載於本年報財務報表附註32。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

CORPORATE GOVERNANCE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of the Shareholders of the Company.

The Company has adopted the Governance Code as its own code to govern its corporate governance procedures. The Board also reviews and monitors the practices of the Company from time to time to maintain and improve a high standard of corporate practice practices.

Save as disclosed in the Corporate Governance Report on pages 32 to 53 of this annual report, the Company has complied with the Governance Code in the year ended 31 December 2014. Information on the corporate governance practice adopted by the Company is set out in the Corporate Governance Report on pages 32 to 53 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained sufficient public float as required by the Listing Rules.

WARRANTS

On 2 September 2014 (the "Issue Date"), the Company successfully issued 100,000,000 warrants to an independent third party investor Power Success Global Investments Limited (the "Subscriber") at the issue price of HK\$0.10 per warrant, each warrant conferring the rights to the Subscriber to subscribe for one share at a subscription price of HK\$8.00 per share, subject to adjustment, during a period of 12 months commencing from the Issue Date. As at the date of this annual report, no warrants have been exercised.

企業管治

本公司高度重視其企業管治常規，而董事會亦堅信良好之企業管治常規能提升問責水平及透明度，從而使本公司股東受惠。

本公司已採納管治守則為其自身的守則，以規管其企業管治程序。董事會亦會不時檢討並監察本公司之常規，以維持並改善高水平之企業管治常規。

除本年報第32至53頁企業管治報告所披露者外，本公司於截至二零一四年十二月三十一日止年度已遵守管治守則。本公司所採納之企業管治常規資料載列於本年報第32至53頁之企業管治報告。

足夠公眾持股量

根據本公司可獲得的公開資料及就董事會所知，於本年報日期，本公司已維持上市規則規定的足夠公眾持股量。

認股權證

於二零一四年九月二日(「發行日期」)，本公司成功以發行價每份認股權證0.10港元向獨立第三方投資者Power Success Global Investments Limited(「認購方」)發行100,000,000份認股權證。每份認股權證均賦予認購方權利於發行日期起計12個月期間以認購價每股股份8.00港元(可作調整)認購一股股份。於本年報日期，概無認股權證獲行使。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

USE OF PROCEEDS FROM THE LISTING

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date. Net proceeds from the global offering were approximately RMB769.4 million (equivalent to approximately HK\$968.7 million), after deducting the underwriting commission and relevant expenses. As at 31 December 2014, the unused proceeds were deposited in licensed banks in Hong Kong and China.

上市所得款項用途

於上市日期，股份於聯交所主板上市。經扣除包銷佣金及有關開支後，全球發售所得款項淨額約為人民幣769.4百萬元(相當於約968.7百萬港元)。於二零一四年十二月三十一日，尚未動用的所得款項存放於香港及中國持牌銀行。

Purpose	用途	Percentage of total amount 佔總金額 百分比	Net proceeds from the Company's IPO 公司首次公開 發售所得款項 淨額 RMB million 人民幣百萬元	Utilised amount (as at 31 December 2014) 已動用金額 (於二零一四年 十二月三十一日) RMB million 人民幣百萬元	Unutilised amount (as at 31 December 2014) 尚未動用金額 (於二零一四年 十二月三十一日) RMB million 人民幣百萬元
Purchase of rice towards production of base wine	購買生產基酒的 大米	50%	384.7	384.7	0
Expansion of production facilities for our cooking wine products	擴建料酒產品 生產設施	25%	192.4	192.4	0
Repayment of loans	償還貸款	10%	77.0	77.0	0
Continued expansion of our distribution network	持續擴張經銷網絡	5%	38.5	23.0	15.5
Working capital and other general corporate purposes	營運資金及 其他一般企業用途	10%	76.8	32.9	43.9
Total	總計		769.4	710.0	59.4

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 31 December 2014.

報告期後事項

本公司或本集團於二零一四年十二月三十一日後概無進行任何重大期後事項。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

AUDITORS

At the annual general meeting of the Company held on 28 May 2014, it was approved that Ernst & Young were re-appointed as the international and PRC auditors of the Company respectively for the year 2014, and the Board was authorised to determine and approve their remunerations.

The consolidated financial statements of the Group for the year ended 31 December 2014 have been audited by Ernst & Young.

On behalf of the Board

Chen Weizhong
Chairman

Hong Kong, 27 March 2015

核數師

二零一四年五月二十八日舉行之本公司股東週年大會已批准分別就二零一四年續聘安永會計師事務所為本公司之國際及中國核數師，並授權董事會釐定及批准其薪酬。

本集團截至二零一四年十二月三十一日止年度之綜合財務報表已由安永會計師事務所審核。

代表董事會

陳衛忠
主席

香港，二零一五年三月二十七日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Independent auditors' report

To the shareholders of Honworld Group Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Honworld Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 71 to 144, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立核數師報告

致老恒和釀造有限公司列位股東

(於開曼群島註冊成立的有限公司)

吾等已審計列載於第71至144頁老恒和釀造有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，該等綜合財務報表包括於二零一四年十二月三十一日的綜合和公司財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

吾等的責任是根據吾等的審計對該等綜合財務報表作出意見。吾等僅向整體股東報告吾等的意見，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

INDEPENDENT AUDITORS' REPORT (CONTINUED)

獨立核數師報告(續)

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

27 March 2015

吾等已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求吾等遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與實體編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對實體內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

吾等相信，吾等所獲得的審計憑證能充足和適當地為吾等的審計意見提供基礎。

意見

吾等認為，綜合財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於二零一四年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港公司條例的披露規定妥為編製。

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

二零一五年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		Notes	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		附註		
REVENUE	收入	6	668,426	530,433
Cost of sales	銷售成本		(281,928)	(217,364)
Gross profit	毛利		386,498	313,069
Other income and gains	其他收入及收益	6	5,877	11,519
Selling and distribution expenses	銷售及經銷開支		(40,338)	(25,679)
Administrative expenses	行政開支		(81,444)	(74,094)
Other expenses	其他開支		(1,512)	(17)
Finance costs	融資成本	8	(22,858)	(17,646)
PROFIT BEFORE TAX	除稅前利潤	7	246,223	207,152
Income tax expense	所得稅開支	11	(34,620)	(32,945)
PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通權益持有人 應佔利潤		211,603	174,207
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通權益持有人 應佔每股盈利			
Basic and diluted	基本及攤薄	14	RMB41.8 cents 人民幣41.8分	RMB46.5 cents 人民幣46.5分

Details of the dividends proposed for the year are disclosed in note 13 to the financial statements.

建議派付本年度股息之詳情於財務報表附註13披露。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通權益持有人 應佔利潤	211,603	174,207
OTHER COMPREHENSIVE INCOME Other comprehensive income to be reclassified to profit or loss in subsequent periods: Exchange differences on translation of financial statements of operations outside Mainland China	其他全面收入 於其後期間重新分類至損益的 其他全面收入： 換算中國內地以外業務的 財務報表的匯兌差額	10,530	9
OTHER COMPREHENSIVE INCOME FOR THE YEAR	年內其他全面收入	10,530	9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收入總額	222,133	174,216

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2014 二零一四年十二月三十一日

		Notes	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	501,493	178,966
Prepaid land lease payments	預付土地租賃款項	16	27,196	23,244
Other intangible assets	其他無形資產		414	407
Prepayments for items of property, plant and equipment	物業、廠房及設備項目 之預付款項		1,207	1,852
Time deposits	定期存款	21	1,820	20
Deferred tax assets	遞延稅項資產	25	327	—
Total non-current assets	非流動資產總值		532,457	204,489
CURRENT ASSETS				
	流動資產			
Inventories	存貨	18	830,488	326,652
Trade receivables	應收貿易款項	19	187,900	88,939
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	20	167,155	64,578
Cash and cash equivalents	現金及現金等價物	21	218,466	44,011
Total current assets	流動資產總值		1,404,009	524,180
CURRENT LIABILITIES				
	流動負債			
Trade payables	應付貿易款項	22	175,608	105,891
Other payables and accruals	其他應付款項及應計項目	23	58,344	50,460
Interest-bearing bank and other borrowings	計息銀行及其他借款	24	308,760	233,000
Due to the ultimate holding company	應付最終控股公司款項	32(a)	—	461
Tax payable	應繳稅項		16,915	28,918
Total current liabilities	流動負債總額		559,627	418,730
NET CURRENT ASSETS	流動資產淨額		844,382	105,450
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,376,839	309,939

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

31 December 2014 二零一四年十二月三十一日

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,376,839	309,939
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借款	24	109,000	—
Other long term liabilities	其他長期負債	26	4,684	4,862
Deferred tax liabilities	遞延稅項負債	25	8,751	8,751
Total non-current liabilities	非流動負債總額		122,435	13,613
Net assets	資產淨值		1,254,404	296,326
EQUITY	權益			
Equity attributable to ordinary equity holders of the Company	本公司普通權益持有人 應佔權益			
Issued capital	已發行股本	27	1,584	31
Reserves	儲備	28	1,200,945	253,239
Proposed final dividend	建議期末股息	13	51,875	43,056
Total equity	權益總額		1,254,404	296,326

Chen Weizhong

陳衛忠

Director

董事

Sheng Mingjian

盛明健

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

Attributable to ordinary equity holders of the Company

本公司普通權益持有人應佔

		Issued capital 已發行 股本 RMB'000 人民幣千元	Merger reserve 合併 儲備 RMB'000 人民幣千元	Capital reserve 資本 儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定 盈餘儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌波動 儲備 RMB'000 人民幣千元	Retained profits 保留 利潤 RMB'000 人民幣千元	Proposed final dividend 建議 期末股息 RMB'000 人民幣千元	Total equity 權益 總額 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	31	10,000	7,003	6,612	—	109,464	—	133,110
Profit for the year	年內利潤	—	—	—	—	—	174,207	—	174,207
Other comprehensive income for the year:	年內其他全面收入：								
Exchange differences on translation of financial statements of operations outside Mainland China	換算中國內地以外 業務的財務報表的 匯兌差額	—	—	—	—	9	—	—	9
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	9	174,207	—	174,216
Acquisition of equity interest in a subsidiary from controlling shareholders	向控股股東收購 一間附屬公司的 股本權益	—	(11,000)	—	—	—	—	—	(11,000)
Proposed final 2013 dividend	建議二零一三年期末股息	—	—	—	—	—	(43,056)	43,056	—
Transfer from retained profits	自保留利潤轉撥	—	—	—	750	—	(750)	—	—
At 31 December 2013	於二零一三年 十二月三十一日	31	(1,000)	7,003	7,362	9	239,865	43,056	296,326

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

Attributable to ordinary equity holders of the Company

本公司普通股權益持有人應佔

		Issued capital	Share premium	Merger reserve	Capital reserve	Statutory surplus reserve	Warrant reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total equity
		已發行股本	股份溢價	合併儲備	資本儲備	法定盈餘儲備	認股權證儲備	匯兌波動儲備	保留利潤	建議期末股息	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2014	於二零一四年一月一日	31	—	(1,000)	7,003	7,362	—	9	239,865	43,056	296,326
Profit for the year	年內利潤	—	—	—	—	—	—	—	211,603	—	211,603
Other comprehensive income for the year:	年內其他全面收入：										
Exchange differences on translation of financial statements of operations outside Mainland China	換算中國內地以外業務財務報表的匯兌差額	—	—	—	—	—	—	10,530	—	—	10,530
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	—	—	10,530	211,603	—	222,133
Final 2013 dividend declared	已宣派二零一三年期末股息	—	—	—	—	—	—	—	—	(43,056)	(43,056)
Issue of shares (note 27)	發行股份(附註27)	1,553	806,694	—	—	—	—	—	—	—	808,247
Share issue expense	股份發行開支	—	(37,205)	—	—	—	—	—	—	—	(37,205)
Proposed final 2014 dividend	建議二零一四年期末股息	—	(51,875)	—	—	—	—	—	—	51,875	—
Issue of warrants	認股權證發行	—	—	—	—	—	7,959	—	—	—	7,959
Transfer from retained profits	轉撥至保留利潤	—	—	—	—	2,432	—	—	(2,432)	—	—
At 31 December 2014	於二零一四年十二月三十一日	1,584	717,614*	(1,000)*	7,003*	9,794*	7,959*	10,539*	449,036*	51,875	1,254,404

* These reserve accounts comprise the consolidated reserves of RMB1,200,945,000 (2013: RMB253,239,000) in the consolidated statement of financial position.

* 該等儲備賬戶包括綜合財務狀況表內的綜合儲備人民幣1,200,945,000元(二零一三年：人民幣253,239,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

			2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	經營活動的現金流量			
	除稅前利潤		246,223	207,152
Adjustments for:	就下列各項調整：			
Finance costs	融資成本	8	22,858	17,646
Listing expenses	上市開支		2,714	18,601
Interest income	利息收入	6	(1,310)	(49)
Depreciation	折舊	7	12,707	9,631
Recognition of prepaid land lease payments	確認預付土地租賃款項	7	597	546
			283,789	253,527
Increase in inventories	存貨增加		(503,836)	(212,054)
Increase in trade receivables	應收貿易款項增加		(98,961)	(25,925)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加		(107,663)	(32,241)
Increase in trade payables	應付貿易款項增加		69,717	57,787
Decrease in other payables and accruals	其他應付款項及應計項目減少		(21,227)	(251)
Decrease in other long term liabilities	其他長期負債減少		(178)	(191)
Cash generated from/(used in) operations	產生自/(用於)經營的現金		(378,359)	40,652
Interest received	已收利息		1,310	49
PRC tax paid	已付中國稅項		(46,950)	(36,412)
Net cash flows from/(used in) operating activities	來自/(用於)經營活動的淨現金流量		(423,999)	4,289
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量			
Purchases of items of property, plant and equipment	收購物業、廠房及設備項目	15	(335,234)	(57,128)
Additions to other intangible assets	其他無形資產增加		(7)	(407)
Decrease/(increase) in prepayments for items of property, plant and equipment	物業、廠房及設備項目之預付款項減少/(增加)		645	(1,748)
Prepaid land lease payment	預付土地租賃款項		(4,650)	—
Increase/(decrease) in other payables and accruals	其他應付款項及應計項目增加/(減少)		33,282	(1,190)
Decrease in an amount due from a director	應收一名董事款項減少		—	23
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少		—	100,398
Increase in time deposits	定期存款增加		(1,800)	—
Acquisition of a subsidiary from controlling shareholders	向控股股東收購一間附屬公司		—	(11,000)
Net cash flows from/(used in) investing activities	來自/(用於)投資活動的淨現金流量		(307,764)	28,948

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

	Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		808,247	—
Share issue expenses		(38,903)	(17,281)
Proceeds from placement of warrants		7,959	—
New interest-bearing bank and other borrowings		764,180	391,760
Repayment of interest-bearing bank and other borrowings		(579,420)	(359,760)
Dividends paid		(43,056)	—
Interest paid	8	(22,858)	(17,646)
Increase in other payables and accruals		—	11,000
Increase/(decrease) in a balance due to the ultimate holding company		(461)	461
Net cash flows from financing activities		895,688	8,534
NET INCREASE IN CASH AND CASH EQUIVALENTS		163,925	41,771
Cash and cash equivalents at beginning of year		44,011	2,231
Effect of foreign exchange rate changes, net		10,530	9
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	218,466	44,011

STATEMENT OF FINANCIAL POSITION

財務狀況表

31 December 2014 二零一四年十二月三十一日

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Investments in subsidiaries	於附屬公司之投資	17	—	—
Total non-current assets	非流動資產總值		—	—
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,455	—
Due from a subsidiary	應收一間附屬公司款項	17	699,757	461
Cash and cash equivalents	現金及現金等價物		7,076	30
Total current assets	流動資產總值		708,288	491
CURRENT LIABILITIES	流動負債			
Other payables and accruals	其他應付款項及應計項目		48	—
Due to a subsidiary	應付一間附屬公司款項	17	—	20,951
Due to the ultimate holding company	應付最終控股公司款項		—	461
Total current liabilities	流動負債總額		48	21,412
Net assets	資產淨額		708,240	(20,921)
EQUITY	權益			
Issued capital	已發行股本	27	1,584	31
Reserves	儲備	28	654,781	(64,008)
Proposed final dividend	建議期末股息	13	51,875	43,056
Total equity	權益總額		708,240	(20,921)

Chen Weizhong

陳衛忠
Director
董事

Sheng Mingjian

盛明健
Director
董事

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2014 二零一四年十二月三十一日

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 4 December 2012 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively known as the "Group") were principally engaged in the manufacture and sale of condiment products under the brand name of "Lao Heng He" in the People's Republic of China (the "PRC").

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Key Shine Global Holdings Limited, which was incorporated in the British Virgin Islands ("BVI").

On 16 January 2014, the Company issued the prospectus and launched a public offering of 125,000,000 shares at an offer price of HK\$7.15 per share and the capitalisation of 365,000,000 shares (the "Capitalisation Issue"). The Company's shares were listed on the Stock Exchange of Hong Kong Limited (the "SEHK") on 28 January 2014 (the "Listing").

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司資料

本公司於二零一二年十二月四日根據開曼群島法例第22章《公司法》(一九六一年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司為一間投資控股公司。年內，本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事「老恆和」牌調味品的製造與銷售業務。

董事認為，本公司控股公司及最終控股公司乃於英屬處女群島(「英屬處女群島」)註冊成立的Key Shine Global Holdings Limited。

於二零一四年一月十六日，本公司刊發招股章程，並按發售價每股股份7.15港元公開發售125,000,000股股份及進行365,000,000股股份資本化(「資本化發行」)。本公司股份於二零一四年一月二十八日在香港聯合交易所有限公司(「聯交所」)上市(「上市」)。

2. 編製基準

該等財務報表乃根據國際財務報告準則(「國際財務報告準則」)編製，國際財務報告準則包括國際會計準則委員會頒佈之全部國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋。該等財務報表亦有遵照香港公司條例有關編製財務報表的適用披露規定，而本財政年度及可資比較期間仍為舊有公司條例(第32章)，並根據香港公司條例(第622章)中附表11第76至87條條文內有關第9部「賬目及審計」的過渡性及保留安排的規定。該等財務報表乃根據歷史成本慣例編製而成。除另有說明的情況外，該等財務報表以人民幣列報，而當中所有金額均湊整至最接近的千位。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

2. BASIS OF PREPARATION (Continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. 編製基準(續)

綜合基準

綜合財務報表包括本集團於截至二零一四年十二月三十一日止年度的財務報表。附屬公司的財務報表乃按與本公司相同的報告期間及一致的會計政策編製。附屬公司業績乃自本集團取得控制權之日起，直至有關控制權終止之日為止綜合入賬。

溢利或虧損及其他全面收入項目歸本集團母公司擁有人。有關本集團成員公司間交易的所有集團內資產及負債、權益、收入、開支及現金流量於綜合入賬時悉數對銷。

倘有事實及情況顯示以下附屬公司會計政策所述三項控制因素中有一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。附屬公司擁有權益的變動(並無失去控制權)乃按權益交易列賬。

倘本集團失去對附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計匯兌差額；及確認(i)已收代價的公平值，(ii)所保留任何投資的公平值及(iii)損益中任何因此產生的盈餘或虧損。先前於其他全面收入內確認的本集團應佔部分按照倘本集團已直接出售相關資產或負債所需之相同基準重新分類至損益或保留利潤(如適當)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised)	<i>Investment Entities</i>
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC 21	<i>Levies</i>
Amendments to IFRS 2 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Definition of Vesting Condition¹</i>
Amendments to IFRS 3 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Accounting for Contingent Consideration in a Business Combination¹</i>
Amendments to IFRS 13 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendments to IFRS 1 included in <i>Annual Improvements 2011-2013 Cycle</i>	<i>Meaning of Effective IFRSs</i>

¹ Effective from 1 July 2014

The adoption of the revised standards and new interpretation has had no significant financial effect on these financial statements.

3.1 會計政策及披露之變動

本集團已首次就本年度的財務報表採納下列經修訂準則及新詮釋。

國際財務報告 準則第10號、 國際財務報告 準則第12號及 香港會計準則 第27號(修訂本)	投資實體
國際會計準則 第32號(修訂本)	金融資產和金融負債 的互相抵銷
國際會計準則 第39號(修訂本)	衍生工具之更替和 對沖會計法的延續
國際財務報告 詮釋委員會第21號	徵費
國際財務報告準則 第2號(修訂本)、 納入二零一零年至 二零一二年週期之 年度改進	歸屬條件之定義 ¹
國際財務報告準則 第3號(修訂本)、 納入二零一零年至 二零一二年週期之 年度改進	業務合併中或然 代價之會計處理 ¹
國際財務報告準則 第13號(修訂本)、 納入二零一零年至 二零一二年週期之 年度改進	短期應收及應付款項
國際財務報告準則 第1號(修訂本)納入 二零一一年至 二零一三年週期之 年度改進	有效國際財務報告 準則之涵義

¹ 自二零一四年七月一日起生效

採納經修訂準則及新詮釋對該等財務報表並無重大財務影響。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.2 NEW AND REVISED IFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

IFRS 9	<i>Financial Instruments</i> ⁴
Amendments to IFRS 10 and IAS 28 (Revised)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to IFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ²
IFRS 14	<i>Regulatory Deferral Accounts</i> ⁵
IFRS 15	<i>Revenue from Contracts with Customers</i> ³
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ²
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i> ²
Amendments to IAS 19	<i>Defined Benefit Plans: Employee Contributions</i> ¹
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i> ²
Amendments to IAS 1	<i>Discourse Initiative</i> ²
Amendments to IFRS 10, IFRS 12 and IAS 28 (Revised)	<i>Investment Entities: Applying the Consolidation Exception</i> ²
Annual Improvements 2010-2012 Cycle	<i>Amendments to a number of IFRSs</i> ¹
Annual Improvements 2011-2013 Cycle	<i>Amendments to a number of IFRSs</i> ¹
Annual Improvements 2012-2014 Cycle	<i>Amendments to a number of IFRSs</i> ²

- ¹ Effective for annual periods beginning on or after 1 July 2014
- ² Effective for annual periods beginning on or after 1 January 2016
- ³ Effective for annual periods beginning on or after 1 January 2017
- ⁴ Effective for annual periods beginning on or after 1 January 2018
- ⁵ Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

3.2 尚未採納新訂及經修訂國際財務報告準則以及香港公司條例下的新訂披露規定

國際財務報告準則第9號	金融工具 ⁴
國際財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營或合營企業之資產出售或注資 ²
國際財務報告準則第11號(修訂本)	收購於合營經營之權益之會計處理 ²
國際財務報告準則第14號	監管遞延賬目 ⁵
國際財務報告準則第15號	客戶合約之收益 ³
國際會計準則第16號及國際會計準則第38號(修訂本)	可接受折舊及攤銷方式的澄清 ²
國際會計準則第16號及國際會計準則第41號(修訂本)	農業：生產性植物 ²
國際會計準則第19號(修訂本)	界定福利計劃：僱員供款 ¹
國際會計準則第27號(修訂本)	獨立財務報表中的權益法 ²
國際會計準則第1號(修訂本)	披露動議 ²
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號(修訂本)	投資實體：應用綜合入賬的例外情況 ²
二零一零年至二零一二年週期的年度改進	多項國際財務報告準則的修訂本 ¹
二零一一年至二零一三年週期的年度改進	多項國際財務報告準則的修訂本 ¹
二零一二年至二零一四年週期的年度改進	多項國際財務報告準則的修訂本 ²

- ¹ 於二零一四年七月一日或之後開始之年度期間生效
- ² 於二零一六年一月一日或之後開始之年度期間生效
- ³ 於二零一七年一月一日或之後開始之年度期間生效
- ⁴ 於二零一八年一月一日或之後開始之年度期間生效
- ⁵ 對首次採納國際財務報告準則的實體，適用於二零一六年一月一日或之後開始的年度財務報表，因此不適用於本集團

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.2 NEW AND REVISED IFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED (Continued)

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the new Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making assessment of the impact of these changes.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;

3.2 尚未採納新訂及經修訂國際財務報告準則以及香港公司條例下的新訂披露規定(續)

本集團現正評估首次應用該等新訂及經修訂的國際財務報告準則產生的影響。至今，本集團認為，該等新訂及經修訂的國際財務報告準則可能導致會計政策變動，但並不可能嚴重影響本集團的經營業績及財務狀況。

此外，新香港公司條例(第622章)將影響截至二零一五年十二月三十一日止年度綜合財務報表內若干資料的呈列及披露。本集團正在評估該等變動所產生的影響。

3.3 主要會計政策概要

附屬公司

附屬公司指由本公司直接或間接控制之實體(包括結構性實體)。倘本集團能透過其參與承擔或享有投資對象可變回報之權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於當時指揮投資對象之相關活動)，即代表獲得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries (Continued)

- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

3.3 主要會計政策概要(續)

附屬公司(續)

- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司之業績按已收及應收股息計入本公司之損益表內。本公司並未根據國際財務報告準則第5號持作出售的非流動資產及終止經營業務歸類為持作出售之於附屬公司之投資按成本值扣除任何減值虧損入賬。

非金融資產減值

倘一項資產(存貨及金融資產除外)存在減值跡象，或需要進行年度減值測試，則會估計資產的可收回金額。資產可收回金額按該資產或現金產生單位的使用價值及公平值減出售成本兩者中的較高金額計算，並按個別資產釐定，除非該資產不能產生基本上獨立於其他資產或資產組別所產生現金流入，否則可收回金額將按該資產所屬現金產生單位釐定。

減值虧損僅於資產賬面值超過其可收回金額時方會確認。評估使用價值時，估計未來現金流量採用反映當前市場對資金時間價值及資產特定風險的評估之稅前折現率貼現至其現值。減值虧損按與該減值資產功能相符的開支類別於產生期間的損益表扣除。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An assessment is made as at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

3.3 主要會計政策概要(續)

非金融資產減值(續)

於各報告期末，已就是否有跡象顯示之前確認的減值虧損可能已不存在或可能減少作出評估。倘存在上述跡象，則會估計可收回金額。就之前確認的資產減值虧損(商譽除外)僅於用以釐定該資產可收回金額的估計出現變動時方予撥回，惟撥回金額不得超過倘過往年度並無就該資產確認減值虧損情況下原應釐定的賬面值(扣除任何折舊/攤銷)。該等減值虧損撥回計入產生期間的損益表。

關聯方

以下人士將被視為與本集團有關連：

- (a) 倘為以下人士或該人士家族之近親及該人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 該人士為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

3.3 主要會計政策概要(續)

關聯方(續)

- (iv) 實體為一名第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體為本集團或與本集團有關連的實體就僱員利益建立的離職後福利計劃；
- (vi) 該實體由(a)項所列人士控制或共同控制；及
- (vii) (a)(i)項所列人士對該實體具有重大影響力或為該實體(或該實體的母公司)的主要管理層成員。

物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本，包括其購買價及使該資產達至營運狀況及地點作擬定用途之任何直接應佔成本。

物業、廠房及設備項目投產後所產生的支出，如維修及保養費用，一般於產生期間在損益表中支銷。於符合確認準則的情況下，用於重大檢測的支出將於該資產的賬面值中撥充資本，列作重置項目。倘物業、廠房及設備的重要部分需不時更換，則本集團會將該等部分確認為擁有特定可使用年限的個別資產，並予以相應折舊。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Leasehold improvements	Over the lease terms
Machinery and equipment*	5% to 20%
Furniture and fixtures	20% to 33 $\frac{1}{3}$ %
Motor vehicles	20%

* Included in the machinery and equipment are earthen jars, for which the estimated useful lives are 20 years.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

3.3 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

折舊乃按物業、廠房及設備各項目的估計可使用年限以直線法撇銷其成本至其剩餘價值計算。就此目的所使用的主要年率如下：

樓宇	5%
租賃物業裝修	按照租約年期計算
機器及設備*	5%至20%
傢俬及裝置	20%至33 $\frac{1}{3}$ %
汽車	20%

* 機器及設備包括瓦壇，其估計可使用年限為20年。

倘物業、廠房及設備項目的部分有不同可使用年限，則該項目的成本以合理基準在該等部分之間分配，而各部分分開折舊。至少於各財政年度結束時，覆核並在適當情況下調整剩餘價值、可使用年限及折舊方法。

物業、廠房及設備項目(包括任何已初步確認的重要部分)於出售或預期不會從使用或出售有關項目而取得日後經濟利益時不再確認。於不再確認資產的年度內，在損益表中確認的出售或報廢該等項目的任何損益乃指銷售所得款項淨額與有關資產賬面值的差額。

在建工程乃指在建中的物業、廠房及設備，按成本扣除任何減值虧損入賬且不予折舊。成本包括建設期間的直接建設成本。在建工程於完成並準備投入使用时，重新歸類列為適當類別的物業、廠房及設備項目。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

3.3 主要會計政策概要(續)

無形資產(商譽除外)

單獨收購之無形資產於初始確認時按成本計量。於業務合併時所收購無形資產之成本為收購日期之公平值。無形資產之可使用年期可評估為有限或無限。年期有限之無形資產乃於其後於可使用經濟年期內攤銷，並於該無形資產出現減值跡象時進行減值評估。可使用年期有限之無形資產之攤銷期及攤銷方法須最少於各財政年度末覆核一次。

研究與開發成本

所有研究成本會於產生時列支於損益表。

研發新產品項目所產生的開支只會在本集團能夠顯示其在技術上能夠完成無形資產以能供使用或出售、打算完成資產並能夠加以使用或將之出售、資產如何產生可能的未來經濟利益、有足夠資源以完成項目並且有能力可靠地計算發展期間的開支的情況下，才會撥作資本及遞延。倘未能符合以上準則，產品研發開支會在產生時支銷。

遞延開發成本按成本減任何減值虧損列賬，並以直線法在相關產品不超過五至七年的商業年期(自其投產日期起計)內攤銷。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases.

Where the Group is the lessor, assets leased by the Group under operating leases are included in the non-current assets and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

3.3 主要會計政策概要(續)

經營租賃

出租人仍保留資產擁有權的大部分回報及風險的租賃均列作經營租賃處理。

倘本集團為出租人，本集團根據經營租賃出租的資產計入非流動資產，經營租賃項下之應收租金按租賃年期以直線法記入損益表。倘本集團為承租人，根據經營租賃的應付租金扣除從出租人收取的任何優惠後按租賃年期以直線法從損益表扣除。

經營租賃項下的預付土地租賃款項初時按成本列賬，其後於租賃年期內按直線基準確認。

投資及其他金融資產

初步確認及計量

金融資產乃於初始確認時分類為按公平值計入損益之金融資產、貸款及應收款項及可供出售金融投資(倘適用)。當金融資產在初始確認時，均以公平值加收購金融資產應佔交易成本計量，惟按公平值計入損益之金融資產除外。

所有常規購入及出售之金融資產均於交易日確認，即本集團承諾購買或出售該項資產之日期。所謂金融資產之常規購入或出售乃指需按法規規定或市場慣例於一般規定之期間內轉移資產之交易。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.3 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量

貸款及應收款項

有固定或可確定付款但並無在活躍市場報價之貸款及應收款項為非衍生金融資產。於初步計量後，該等資產其後用實際利率方法以攤銷成本減任何減值撥備計量。計算攤銷成本時，將考慮任何收購折讓或溢價，並計入屬於實際利率不可分割部分之費用或成本。實際利率攤銷乃計入損益表之其他收入及收益。減值產生之虧損乃於損益表確認為融資成本(就貸款而言)及其他開支(就應收款項而言)。

取消確認金融資產

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產之一部分)在下列情況將首先取消確認(即從本集團綜合財務狀況表內刪除)：

- 收取該項資產現金流量的權利已屆滿；或
- 本集團已轉讓收取資產現金流量的權利，或已承擔責任根據「轉手」安排向第三方悉數支付所收取之現金流量，且並無重大延誤；及(a)本集團已轉移該資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留該資產的絕大部分風險及回報，但已轉讓該資產的控制權。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses as at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.3 主要會計政策概要(續)

投資及其他金融資產(續)

取消確認金融資產(續)

本集團在轉讓其從資產收取現金流量的權利或訂立轉付安排之後，將評估其有否保留與擁有該資產相關的風險及回報以及保留的程度。倘並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，本集團將以本集團持續參與之程度為限繼續確認所轉讓資產。在此情況下，本集團亦確認相關的負債。已轉讓的資產及相關負債按反映本集團所保留的權利和義務的基準計量。

以經轉讓資產擔保方式的持續參與按資產原始金額與本集團可能須償還的代價的最高金額之間的較低者計量。

金融資產減值

本集團於各報告期末評估是否有客觀跡象顯示一項金融資產或一組金融資產出現減值。倘初步確認資產後發生一項或多項事件，且對可合理估計之金融資產或該組金融資產未來估計現金流量產生影響時，則存在減值。減值證據可包括債務人或一組債務人正經歷重大財務困難、拖欠或拖慢利息或本息付款、彼等可能會破產或其他財務重組而可觀察數據顯示估計未來現金流量有可計量之減少(例如與拖欠有關之延遲或經濟狀況之變動)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

3.3 主要會計政策概要(續)

金融資產減值(續)

以攤銷成本列賬之金融資產

對於按攤銷成本列賬的金融資產，本集團首先單獨評估個別重大的金融資產是否存在減值，或共同評估非個別重大的金融資產有否客觀減值跡象。倘本集團釐定個別已評估金融資產無客觀減值跡象，則有關資產不論是否重大，會計入一組信貸風險特徵相若的金融資產，共同作減值評估。對於個別作減值評估的資產，倘其減值虧損會確認或繼續會確認，則不會計入共同減值評估。

任何所發現減值虧損的金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)現值之差額計量。估計未來現金流量現值按金融資產原實際利率(即首次確認時計算的實際利率)折現。

有關資產之賬面值可通過使用備抵賬目作出抵減，而有關減值於損益表中確認。利息收入於經扣減之賬面值中持續產生，並採用計算減值虧損時用以折現未來現金流量之利率累算。貸款及應收款項連同任何相關撥備在預期日後不可能收回且所有抵押品已變現或轉至本集團時撇銷。

倘於其後期間之估計減值虧損之數額因確認減值後發生之事件而增加或減少，則先前確認之減值虧損可通過調整備抵賬目而增加或減少。倘若撇銷於其後收回，則收回金額計入損益表的其他開支內。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and other borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and other borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, an amount due to the ultimate holding company and interest-bearing bank and other borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and other borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

3.3 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債於初始確認時乃分類為按公平值計入損益之金融負債或貸款及其他借款(倘適用)。

所有金融負債於初步確認時以公平值計算，如為貸款及其他借款，則扣除直接應佔交易成本。

本集團之金融負債包括應付貿易款項及其他應付款項、應付最終控股公司款項以及計息銀行及其他借款。

其後計量

金融負債之計量取決於其如下分類：

貸款及其他借款

初步確認後，計息銀行及其他借款其後以實際利率法按攤銷成本計量。若貼現之影響並不重大，則按成本計量。有關收益及虧損於負債取消確認時及透過實際利率攤銷程序在損益表確認入賬。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可分割部分之費用或成本後計算。實際利率攤銷計入損益表之財務費用內。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits which are not restricted as to use.

3.3 主要會計政策概要(續)

取消確認金融負債

金融負債於負債之責任已解除或註銷或屆滿時取消確認。

當現有金融負債為同一貸款人以條款明顯不同之另一負債取代時，或現有負債之條款有重大修改時，有關替換或修改則被視為取消確認為原有負債並確認為一項新負債，而有關賬面值之差額乃於損益表中確認。

金融工具的抵銷

倘有現行可強制執行之法律權利抵銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及清償負債，方可將金融資產及金融負債抵銷，淨額於財務狀況表呈報。

存貨

存貨乃以成本及可變現淨值之較低者列賬。成本以加權平均法釐定。如屬在製品及成品，成本值則包括直接物料費用、直接人工成本及適當比例的經常費用。可變現淨值為估計銷售價減預期達致完成及出售所產生之任何估計成本。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險之短期及高度流通投資，再扣除在要求時須償還及構成本集團現金管理方面一個完整部分之銀行透支。

就財務狀況表而言，現金及現金等價物包括並無限制用途之手頭及銀行現金(包括定期存款)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3.3 主要會計政策概要(續)

撥備

倘因過往事件而導致本集團須承擔法定或推定責任，且日後大有可能因履行有關責任而導致資源流失，而有關責任數額能被可靠估計，則須就此作出撥備。

倘折算影響重大，則確認撥備之數額為預期日後履行有關責任所需開支於報告期末之現值。倘已折算之現值隨時間而有所增加，則該等增幅將於損益表列作融資成本。

所得稅

所得稅包括當期稅項及遞延稅項。涉及於損益以外確認之項目之所得稅於損益以外確認，即於其他全面收益或直接於權益中確認。

當期及前期之流動稅項資產及負債以預期由稅務機關退稅或付給稅務機關之金額計量，乃基於截至報告期末已頒佈或實質上已頒佈之稅率(及稅法)，並顧及本集團經營業務所在國家當前之詮釋及慣例。

遞延稅項乃使用負債法，就於報告期末資產及負債之稅基與其就財務報告而言之賬面值之間之所有暫時性差異作出撥備。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3.3 主要會計政策概要(續)

所得稅(續)

所有應課稅暫時性差異均被確認為遞延稅項負債，惟：

- 倘若遞延稅項負債是由非業務合併交易中初步確認商譽或資產或負債而產生，及於交易時，遞延稅項負債對會計利潤或應課稅利潤或虧損均無影響；及
- 就與附屬公司之投資有關之應課稅暫時性差異而言，倘暫時性差異之回撥時間為可以控制，而暫時性差異於可見將來相當可能不會回撥。

遞延稅項資產會就所有可扣減之暫時差異、結轉未運用稅項抵免及未運用稅務虧損確認入賬。確認遞延稅項資產的前提是有可能有應課稅利潤可用於抵銷可扣減之暫時差異，結轉未運用稅項抵免及未運用稅務虧損可予動用，惟：

- 遞延稅項資產與初步確認一項交易(並非業務合併)之資產或負債所產生之應扣減暫時性差額有關，而於交易時，遞延稅項資產對會計利潤或應課稅利潤或虧損均無影響；及
- 就與附屬公司之投資有關之可扣減暫時性差額而言，遞延稅項資產僅會於暫時性差額相當可能於可見將來將會回撥及應課稅利潤可用於抵銷暫時性差額時確認。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;
- (c) rental income, on a time proportion basis over the lease terms; and
- (d) subsidy, when it is received.

3.3 主要會計政策概要(續)

所得稅(續)

遞延稅項資產之賬面值會於各報告期末覆核，並減至不再可能有足夠應課稅利潤令全部或部分遞延稅項資產得以動用為止；未確認之遞延稅項資產會於各報告期末重新評估，並於可能有足夠應課稅利潤令全部或部分遞延稅項資產得以收回時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈之稅率(及稅法)，按預期於資產獲變現或負債償還期間適用之稅率計算。

遞延稅項資產及遞延稅項負債可在現行稅項資產及負債有合法權利可予抵銷，以及遞延稅項乃關乎同一應課稅實體及同一稅務機關之情況下，方可互相抵銷。

收入確認

收入乃於經濟利益很可能流入本集團，並且該收入能夠準確計量時按下列基準予以確認：

- (a) 銷售貨品的收入在附於所有權上的重大風險及利益已轉移至買家，並且本集團不再對已售出商品實施通常與所有權相聯繫的繼續管理權和有效控制權時確認；
- (b) 就利息收入而言，以應計方式利用實際利率法將財務工具估計可用年期或較短期間(如適用)內之未來估計現金收入實際貼現成金融資產賬面淨值；
- (c) 就租金收入而言，按時間比例基準於租期內確認；及
- (d) 就補貼而言，於收到時確認。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee retirement benefits

As stipulated by the rules and regulations of the PRC, the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post-retirement benefits beyond the annual contributions.

The contributions are recognised as expenses when the Company consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

Early retirement and retirement benefits

During the fiscal 2005 restructuring, the Group undertook the expense related to both the retirement and the early retirement schemes for the medical and social welfare of those early retired and retired employees as of 30 June 2005. The Group recognised the relevant estimated liabilities as well as charges to the statement of profit or loss once the Group undertook the obligations. These benefits are unfunded.

Where these schemes fall due more than 12 months after the date of the financial statement, they shall be discounted amounts using the appropriate discount rate, and carried at discounted amount as liabilities. The discount rate is determined using the yield rate of government bonds with similar terms at the date of the financial statements.

Actuarial gains or losses include the experience adjustment (the impact of difference between previous actuarial assumption and actual results) and the impact of changes on actuarial assumption. The actuarial gains or losses are recognised in other comprehensive income when incurred and will not be reclassified to profit or loss in a subsequent period.

3.3 主要會計政策概要(續)

僱員退休福利

根據中國之規則及法規，本公司在中國註冊之附屬公司須按當地政府預定之僱員基本薪金若干比率為所有中國僱員向國家管理之退休計劃供款。國家資助之退休計劃負責一切應付退休僱員退休福利之責任，除每年供款外，本集團在實際退休福利付款或其他員工退休後福利方面沒有其他責任。

當本公司動用因僱員為獲得僱員福利而提供服務所產生之經濟利益時，供款會確認為開支。

提早退休及退休福利

於二零零五年財政重組期間，本集團承擔了截至二零零五年六月三十日之提早退休及退休僱員之退休計劃及提早退休計劃中有關醫療及社會福利之開支。本集團於承擔該等責任時確認相關估計負債，並從損益表扣除。該等福利均未獲撥款。

倘該等計劃自財務報表日期後12個月以後到期，則應採用適用之貼現率對金額進行貼現，並按貼現金額列賬為負債。貼現率乃採用財務報表日期條款相似之政府債券之收益率釐定。

精確損益包括經驗調整(原有精算假設與實際結果之間之差額影響)及精算假設變動之影響。精算損益於產生時在其他全面收益確認，且於其後期間不會重新分類至損益。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee retirement benefits (Continued)

Early retirement and retirement benefits (Continued)

Interest expense is charged to the statement of profit or loss which is derived from the discount rate determined at the commencement of the retirement scheme within an accounting period and the early retirement scheme multiplying with the average present value over the entire terms.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3.3 主要會計政策概要(續)

僱員退休福利(續)

提早退休及退休福利(續)

利息開支根據貼現率結果(在會計期間內退休計劃開始時釐定，提早退休計劃乘以整個期間之平均現值)從損益表扣除。

借貸成本

收購、興建或生產須經過長時間方可作擬定用途或銷售之合資格資產的直接應佔借貸成本資本化為該等資產之成本的一部分。在該等資產基本可作擬定用途或銷售時，停止將借貸成本予以資本化。有關借款等待用於合資格資產的期間作短期投資之投資收入所得可用於扣減已資本化之借貸成本。所有其他借貸成本均須於產生期間列作開支。借貸成本包括利息以及實體借入資金所產生的其他相關成本。

股息

董事建議之期末股息乃歸類為財務狀況表權益部分的單獨分配保留利潤，直至其已獲股東於股東大會上批准為止。倘該等股息已獲股東批准及宣派，則將其確認為一項負債。

中期股息乃同時建議及宣派，原因是本公司組織章程大綱及細則授予董事權力宣派中期股息。因此，中期股息於其獲建議及宣派時即時確認為一項負債。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the Company is the Hong Kong dollar while RMB is used as the presentation currency of the financial statements of the Company for the purpose of aligning with the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain Hong Kong subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

3.3 主要會計政策概要(續)

外幣

該等財務報表以人民幣呈報，人民幣亦為本集團呈報貨幣。本公司的功能貨幣為港元，人民幣則被用作本公司財務報表的呈報貨幣，以與本集團呈報貨幣保持一致。本集團旗下各實體有各自的功能貨幣，計入各實體財務報表的項目以該功能貨幣計量。本集團實體記錄的外幣交易初步按交易日適用的相關功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末功能貨幣適用匯率重新換算。償付或換算貨幣項目產生的差額於損益表確認。

按歷史成本列賬以外幣計值的非貨幣項目以初步交易日期的匯率換算。以外幣按公平值計量的非貨幣項目按計量公平值當日的匯率換算。換算按公平值計量之非貨幣項目產生的收益或虧損按確認該項目的公平值變動產生的收益或虧損處理(即其公平值收益或虧損已於其他綜合收益或損益確認的項目，其換算差額亦分別於其他綜合收益或損益內確認)。

若干香港附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末通行的匯率換算為本公司的呈報貨幣，而其損益表按該年度的加權平均匯率換算為人民幣。所產生匯兌差額於其他綜合收益確認及於匯兌變動儲備累計。出售海外業務時，與該特定海外業務有關的其他綜合收益部分於損益表確認。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purpose of the consolidated statement of cash flows, the cash flows of Hong Kong subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of Hong Kong subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Tax provision

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates the tax implications of transactions and tax provisions are made accordingly. The tax treatment of such transactions is assessed periodically to take into account all the changes in tax legislation and practices.

3.3 主要會計政策概要(續)

外幣(續)

就綜合現金流量表而言，香港附屬公司的現金流量按現金流量日期適用的匯率換算為人民幣。香港附屬公司於整個年度內頻密產生的經常現金流量按該年度加權平均匯率換算為人民幣。

4. 重要會計判斷及估計

編製本集團之綜合財務報表時，管理層須作出會影響所呈報收入、開支、資產及負債之報告金額、其隨附披露及或有負債披露之判斷、估計及假設。有關假設及估計之不確定性或會導致須就日後受影響之資產或負債賬面值作出重大調整。

判斷

於採納本集團之會計政策之過程中，除涉及估計之會計政策外，管理層已作出對綜合財務報表已確認金額構成最重大影響之判斷如下：

稅項撥備

釐定所得稅撥備涉及對若干交易未來稅務處理之判斷。本集團審慎評估交易之稅務影響並計提相應之稅項撥備。該等交易之稅務處理定期評估，以計及稅務法規及慣例之所有變動。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements (Continued)

Deferred tax liabilities for withholding taxes

Deferred tax liabilities have not been established for income tax and withholding tax that would not be payable on certain undistributed earnings of the subsidiaries in Mainland China if the directors consider that the timing of the reversal of the related temporary differences in relation to the undistributed earnings of the subsidiaries in Mainland China can be controlled and such temporary differences will not be reversed in the foreseeable future. For those undistributed earnings of the subsidiaries in Mainland China that are considered to be repatriated and distributed by way of dividends, the related deferred tax liabilities have been recognised.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Useful lives and residual values of property, plant and equipment

In determining the useful life and residual value of an item of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the repair and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances. The carrying amounts of the property, plant and equipment are disclosed in note 15.

4. 重要會計判斷及估計(續)

判斷(續)

有關預扣稅的遞延稅項負債

倘董事認為撥回涉及中國內地附屬公司未分派盈利的相關暫時差額之時間可被控制以及有關暫時差額將不會於可見將來撥回，則並無就中國內地附屬公司之若干未分派盈利之毋須支付之所得稅及預扣稅計提遞延稅項負債。被視為以股息形式匯出及分派的中國內地附屬公司未分派盈利，已確認相關遞延稅項負債。

估計不確定因素

於報告期末有關未來之主要假設及其他估計之不確定性之主要來源，會使下一個財政年度內的資產及負債賬面值引致有重大調整的風險，並於下文描述。

(a) 物業、廠房及設備的可使用年限及剩餘價值

為釐定物業、廠房及設備項目的可使用年限及剩餘價值，本集團須考慮多項因素，如因生產改變或改進引致技術或商業過時、或因市場對該資產的產品或服務輸出的需求改變、該資產的預期使用情況、預期實際損耗及損毀、該資產的維修保養及對使用該資產的法律或類似限制。該資產的可使用年限的估計乃基於本集團以類似方式使用類似資產的經驗。倘物業、廠房及設備項目的估計可使用年限及／或剩餘價值有別於先前的估計，則會作出額外折舊。可使用年限及剩餘價值會於各財政年度結束日期根據情況變動進行覆核。物業、廠房及設備之賬面金額披露於附註15。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

(b) Impairment of trade and other receivables

The policy for provision for impairment losses of the Group is based on the evaluation of collectibility, the aged analysis of trade and other receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(c) Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of the inventories. The assessment of the provision required involves management's judgement and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, such differences will have impact on the carrying amounts of inventories and the write-down charge/write-back of inventories in the period in which such estimate has been changed.

(d) Early retirement and retirement benefits

The Group has recognised the early retirement and retirement benefits as a liability. The initial recognition of early retirement and retirement benefits is measured at the best estimate of the expenditure required to settle early-retired and retired employees. When the Group determines the best estimate, it takes into account headcount changes of early-retired and retired employees, effect on future expenditure arising from inflation of prices and other factors. When selecting a proper discount rate, the Group takes into account the average period of future payment for early retirement and retirement benefits and other factors. The difference between the actuarial assumptions and actual results will have an impact on the relevant accounting estimation. Although management considered that the above assumptions are reasonable, any changes in assumptions may affect the amount of provision for early retirement and retirement benefits. The assumptions that the Group used in measuring the early retirement and retirement benefits are disclosed in note 26.

4. 重要會計判斷及估計(續)

估計不確定因素(續)

(b) 應收貿易款項及其他應收款項之減值

本集團減值虧損撥備政策乃根據可收回性評估、應收貿易款項及其他應收款項之賬齡分析以及管理層之判斷作出。於評估該等應收款項之最終變現數額時須作出大量判斷，包括各客戶現時之信譽及過往收回歷史。倘本集團客戶之財務狀況惡化，導致其付款能力減低，則可能須作額外撥備。

(c) 撇減存貨至可變現淨值

撇減存貨至可變現淨值按存貨的估計可變現淨值為基準作出。管理層須就撥備的評估因應市況作出判斷和估計。倘日後的實際結果或預期有別於最初的估計，有關差異將會對存貨的賬面值造成影響，並須於估計有變的期間內作出存貨的撇減支出／撤回。

(d) 提早退休及退休福利

本集團已將提早退休及退休福利確認為負債。提早退休及退休福利在初始確認時按對向提早退休及退休僱員結算所需的開支的最佳估計計量。本集團在釐定最佳估計時，會考慮提早退休及退休僱員的人數變化、通貨膨脹對未來開支的影響及其他因素。在選擇適當的貼現率時，本集團會考慮未來支付提早退休及退休福利的平均期間及其他因素。精算假設與實際結果之間的差異會對相關會計估計造成影響。儘管管理層認為上述假設合理，但假設的任何變動均可能影響提早退休及退休福利的撥備金額。本集團在計量提早退休及退休福利時使用的假設披露於附註26。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

5. OPERATING SEGMENT INFORMATION 5. 經營分部資料

The Group is principally engaged in the manufacture and sale of condiment products. For management purposes, the Group operates in one business unit and has one reportable operating segment as follows:

- The food segment manufactures and sells condiment products.

As all of the Group's revenue is derived from sales of its products to the customers in the PRC and all of the Group's identifiable non-current assets are located in the PRC, no geographical information as required by IFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue derived from sales to individual customers amounting to 10 percent or more of the Group's revenue for the reporting period is set out in the following table:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Customer A	客戶A	144,788	110,091
Customer B	客戶B	108,779	70,594
Customer C	客戶C	84,470	75,277
Customer D	客戶D	74,992	64,760
Customer E	客戶E	63,311*	56,483
		476,340	377,205

* Revenue from this customer in the relevant reporting period did not exceed 10 percent of the Group's revenue.

本集團主要從事調味品的生產及銷售業務。就管理而言，本集團以單一業務單位運營，且有一個可呈報經營分部如下：

- 食品分部生產及銷售調味品。

由於本集團全部收入均來自向於中國的客戶銷售其產品，且本集團全部可識別非流動資產均位於中國，故並無根據國際財務報告準則第8號經營分部呈列地域資料。

有關主要客戶之資料

下表載列於報告期間自佔本集團收益10%或以上收益的個別客戶所產生的收益：

* 於相關報告期間來自此客戶的收入不超過本集團收入的10%。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

6. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gains is as follows:

6. 收入、其他收入及收益

收入(亦即本集團的營業額)指扣除退貨撥備及貿易折扣後的售出貨品發票淨值。

本集團收入、其他收入及收益分析如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Revenue	收入		
Sale of goods	銷售貨品	668,426	530,433
Other income and gains	其他收入及收益		
Subsidy received	已收補貼	2,906	10,280
Gain from sale of materials	材料銷售收益	1,575	717
Interest income	利息收入	1,310	49
Rental income	租賃收入	36	440
Others	其他	50	33
		5,877	11,519

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

7. 除稅前利潤

本集團除稅前利潤乃經扣除下列各項：

		Notes	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
		附註		
Costs of inventories sold	售出存貨成本		281,928	217,364
Depreciation	折舊	15	12,707	9,631
Auditors' remuneration	核數師酬金		1,564	600
Recognition of prepaid land lease payments	確認預付土地租賃款項	16	597	546
Minimum lease payments under operating leases regarding plant and machinery	經營租賃項下有關廠房及機器的最低租賃款項		546	685
Employee benefit expense (excluding directors' remuneration):	僱員福利開支 (不包括董事酬金):			
— Wages and salaries	— 工資及薪金		14,027	9,798
— Pension scheme contributions	— 退休金計劃供款		1,681	1,078
			15,708	10,876
Research and development costs	研究與開發成本		48,639	42,841
Donations	捐款		1,510	—

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

8. FINANCE COSTS

An analysis of finance costs is as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Interest on bank and other borrowings wholly repayable within five years	銀行及其他借款利息 須於五年內悉數償還	22,858	17,646

8. 融資成本

融資成本分析如下：

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules and Section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

9. 董事及最高行政人員之酬金

根據上市規則及香港公司條例(第662章)附表11第78條(經參考前公司條例第32章第161條)披露之董事及最高行政人員之年內酬金如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Fees	袍金	320	—
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	327	120
Performance-related bonuses	表現相關之花紅	360	—
Pension scheme contributions	退休金計劃供款	27	6
		714	126
		1,034	126

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

9. 董事及最高行政人員之酬金(續)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

(a) 獨立非執行董事

年內已付獨立非執行董事之袍金如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Mr. Lei Jiaxiao	雷家驩先生	80	—
Mr. Ma Chaosong	馬朝松先生	80	—
Mr. Shen Zhenchang	沈振昌先生	80	—
		240	—

There were no other emoluments payable to the independent non-executive directors during the year (2013: Nil)

年內概無其他應付獨立非執行董事之酬金(二零一三年：零)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

9. 董事及最高行政人員之酬金(續)

(b) Executive directors, a non-executive director and the chief executive

(b) 執行董事、非執行董事及最高行政人員

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		袍金	薪金、津貼及實物利益	表現相關之花紅	退休金計劃供款	總計
2014	二零一四年					
<i>Executive directors:</i>	<i>執行董事:</i>					
Mr. Sheng Mingjian	盛明健先生	—	86	130	9	225
Mr. Wang Chao	王超先生	—	86	130	9	225
		—	172	260	18	450
<i>Non-executive director</i>	<i>非執行董事:</i>					
Mr. Zhang Bihong	張弼弘先生	80	—	—	—	80
<i>Chief executive:</i>	<i>最高行政人員:</i>					
Mr. Chen Weizhong	陳衛忠	—	155	100	9	264
		80	327	360	27	794

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

9. 董事及最高行政人員之酬金(續)

(b) Executive directors, a non-executive director and the chief executive (Continued)

(b) 執行董事、非執行董事及最高行政人員(續)

		Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	Fees	袍金 薪金、津貼及 實物利益	表現 相關之花紅	退休金 計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2013					
<i>Executive director</i>					
<i>and chief executive:</i>					
Mr. Chen Weizhong	—	120	—	6	126
	—	120	—	6	126

Notes:

- (a) During the year 2013, there were no fees or emoluments payable for the service as directors to the other two executive directors and the non-executive director who were appointed on 17 December 2013.
- (b) During the year, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration.

附註：

- (a) 二零一三年內，並無就董事服務應付於二零一三年十二月十七日獲委任之其他兩名執行董事及一名非執行董事的袍金或酬金。
- (b) 年內，概無訂立董事或最高行政人員放棄或同意放棄任何酬金的安排。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals during the year included three directors (2013: three), details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2013: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	172	177
Performance related bonuses	表現相關之花紅	260	—
Pension scheme contributions	退休金計劃供款	18	12
		450	189

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		2014 二零一四年	2013 二零一三年
Nil to RMB1,000,000	零至人民幣1,000,000元	2	2

The remuneration of the five highest paid employees for the year 2014 included remuneration of two executive directors who were appointed on 17 December 2013. The relevant salaries, allowances and benefits in kind and pension scheme contributions for their services as employees for the year 2013 are RMB167,000 and RMB12,000, respectively.

10. 五名最高薪僱員

年內，五名最高薪僱員包括三名董事(二零一三年：三名)，其酬金詳情載於上文附註9。本公司既非董事亦非最高行政人員之其餘兩名(二零一三年：兩名)最高薪僱員之酬金詳情如下：

酬金介乎以下範圍的非董事及非最高行政人員之最高薪僱員人數如下：

二零一四年五名最高薪僱員酬金包括於二零一三年十二月十七日獲委任之兩名執行董事之酬金。二零一三年彼等作為僱員之相關薪金、津貼及實物利益及退休金計劃供款分別為人民幣167,000元及人民幣12,000元。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group was not subject to any income tax in the Cayman Islands.

The corporate income tax of the Group in respect of its operations in Mainland China has been provided at the rate of 25% (2013: 25%) on the taxable profits, based on the existing legislation, interpretations and practices in respect thereof.

Pursuant to the approval from the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition, Huzhou Laohenghe Brewery Co., Limited and Huzhou Laohenghe Wine Co., Limited were granted the "New and Advanced Technology Enterprise" status and were entitled to the beneficial tax rate of 15% for the three years ending 31 December 2015.

11. 所得稅

本集團須就本集團成員公司所處及經營業務的司法權區所產生或賺取的利潤，按實體基準繳納所得稅。根據開曼群島的規則及法規，本集團毋須繳納開曼群島所得稅。

有關本集團中國內地經營業務的企業所得稅，已經根據相關現行法律、詮釋及慣例按稅率25%（二零一三年：25%）對應課稅利潤作出撥備。

根據全國高新技術企業認定管理工作領導小組辦公室發出的批文，湖州老恒和釀造有限公司及湖州老恒和酒業有限公司獲得「高新技術企業」資格，並可於截至二零一五年十二月三十一日止三個年度享受15%的優惠稅率。

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Current — PRC	即期 — 中國		
Charge for the year	年內支出	34,947	28,600
Deferred	遞延	(327)	4,345
Total tax charge for the year	年內稅務支出總額	34,620	32,945

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

11. INCOME TAX (Continued)

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for the jurisdiction where most of the Company's subsidiaries are located to the tax expense at the effective tax rate is as follows:

		2014 二零一四年		2013 二零一三年	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Profit before tax	除稅前利潤	246,223		207,152	
Tax at the statutory tax rate	按法定稅率計算的稅項	61,556	25.0	51,788	25.0
Lower tax rate enacted by the local authority	地方政府頒佈的較低稅率	(26,544)	(10.8)	(20,085)	(9.8)
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	按本集團中國內地附屬公司可分派利潤之10%計算預扣稅之影響	—	—	5,324	2.6
Income not subject to tax	毋須課稅收入	(200)	(0.1)	(2,573)	(1.2)
Tax incentive on eligible expenditures	合資格開支之稅務優惠	(3,044)	(1.2)	(1,528)	(0.7)
Expenses not deductible for tax	稅務上不可扣減的開支	2,852	1.2	19	—
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅務支出	34,620	14.1	32,945	15.9

11. 所得稅(續)

採用本公司大部分的附屬公司所在司法權區的法定稅率計算的除稅前利潤適用的所得稅開支與按實際稅率計算的稅務開支對賬如下：

12. PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS

The consolidated profit attributable to ordinary equity holders of the Company for the year ended 31 December 2014 includes a loss of RMB9,713,000 (2013: a loss of RMB19,202,000) which has been dealt with in the financial statements of the Company (note 28).

12. 本公司普通權益持有人應佔利潤

截至二零一四年十二月三十一日止年度的本公司普通權益持有人應佔綜合利潤包括已於本公司財務報表處理的虧損人民幣9,713,000元(二零一三年：虧損人民幣19,202,000元)(附註28)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

13. DIVIDENDS

13. 股息

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Proposed final — RMB10 cents (2013: 8.3 cents) per ordinary share	建議派付期末 — 每股普通股 人民幣10分(二零一三年：8.3分)	51,875	43,056

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

年內建議期末股息須待本公司股東於應屆股東週年大會上批准方可作實。

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

14. 本公司普通權益持有人應佔每股盈利

		2014 二零一四年 RMB 人民幣	2013 二零一三年 RMB 人民幣
Earnings per share attributable to ordinary equity holders of the Company	本公司普通權益持有人應佔每股盈利	41.8 cents 41.8分	46.5 cents 46.5分

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 506,643,836 (2013: 375,000,000) in issue during the year.

每股基本盈利金額的計算乃基於本公司普通權益持有人應佔年內利潤及年內已發行普通股加權平均數506,643,836股(二零一三年：375,000,000股)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(Continued)

The calculation of basic earnings per share is based on:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	本公司普通權益持有人應佔利潤，用於每股基本盈利計算	211,603	174,207

The weighted average number of ordinary shares in issue during the years ended 31 December 2014 and 2013 used in the basic earnings per share calculation is determined on the assumption that the 10,000,000 ordinary shares with a par value of US\$0.0005 each issued in connection with the incorporation of the Company on 4 December 2012 and the 365,000,000 shares with a par value of US\$0.0005 each issued in connection through capitalisation of the share premium account arising from the Listing of the Company on 28 January 2014 had been in issue since 1 January 2013.

每股基本盈利的計算乃基於：

用於每股基本盈利計算的截至二零一四年及二零一三年十二月三十一日止年度已發行普通股加權平均數乃基於假設就本公司於二零一二年十二月四日註冊成立發行的10,000,000股每股面值0.0005美元普通股及就透過由本公司於二零一四年一月二十八日上市引起的股份溢價賬的資本化而發行的365,000,000股每股面值0.0005美元股份自二零一三年一月一日起已發行而釐定。

		2014 二零一四年 '000 千股	2013 二零一三年 '000 千股
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	506,644	375,000

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2014 and 2013 in respect of a dilution as the impact of the warrants outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

由於尚未行使的認購股權對每股基本盈利具有反攤薄作用的影響，故本集團並無就攤薄而對截至二零一四年及二零一三年十二月三十一日止年度呈列之每股基本盈利金額作出調整。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

15. PROPERTY, PLANT AND EQUIPMENT 15. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvement 租賃物業裝修 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2014	二零一四年 十二月三十一日							
At 1 January 2014:	於二零一四年一月一日							
Cost	成本	120,561	43,103	3,971	2,028	—	23,200	192,863
Accumulated depreciation	累計折舊	(6,295)	(6,076)	(477)	(1,049)	—	—	(13,897)
Net carrying amount	賬面淨額	114,266	37,027	3,494	979	—	23,200	178,966
At 1 January 2014, net of accumulated depreciation	於二零一四年 一月一日， 扣除累計折舊	114,266	37,027	3,494	979	—	23,200	178,966
Additions	添置	47,826	23,017	—	53	15,990	248,348	335,234
Depreciation provided during the year	年內折舊撥備	(6,651)	(5,013)	(355)	(243)	(445)	—	(12,707)
Transfers	轉撥	138,615	114,825	—	—	—	(253,440)	—
At 31 December 2014, net of accumulated depreciation	於二零一四年 十二月三十一日， 扣除累計折舊	294,056	169,856	3,139	789	15,545	18,108	501,493
At 31 December 2014:	於二零一四年 十二月三十一日							
Cost	成本	307,002	180,945	3,971	2,081	15,990	18,108	528,097
Accumulated depreciation	累計折舊	(12,946)	(11,089)	(832)	(1,292)	(445)	—	(26,604)
Net carrying amount	賬面淨額	294,056	169,856	3,139	789	15,545	18,108	501,493

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

15. PROPERTY, PLANT AND EQUIPMENT (Continued) 15. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2013	二零一三年 十二月三十一日						
At 1 January 2013:	於二零一三年一月一日						
Cost	成本	93,595	36,112	3,971	2,028	29	135,735
Accumulated depreciation	累計折舊	(1,461)	(2,707)	(98)	—	—	(4,266)
Net carrying amount	賬面淨額	92,134	33,405	3,873	2,028	29	131,469
At 1 January 2013, net of accumulated depreciation	於二零一三年 一月一日， 扣除累計折舊	92,134	33,405	3,873	2,028	29	131,469
Additions	添置	26,931	6,991	—	—	23,206	57,128
Depreciation provided during the year	年內折舊撥備	(4,834)	(3,369)	(379)	(1,049)	—	(9,631)
Transfers	轉撥	35	—	—	—	(35)	—
At 31 December 2013, net of accumulated depreciation	於二零一三年 十二月三十一日， 扣除累計折舊	114,266	37,027	3,494	979	23,200	178,966
At 31 December 2013:	於二零一三年 十二月三十一日						
Cost	成本	120,561	43,103	3,971	2,028	23,200	192,863
Accumulated depreciation	累計折舊	(6,295)	(6,076)	(477)	(1,049)	—	(13,897)
Net carrying amount	賬面淨額	114,266	37,027	3,494	979	23,200	178,966

At 31 December 2014, a building of the Group with a net carrying amount of approximately RMB20,576,000 (2013: Nil) was pledged to secure bank loans granted to the Group (note 24(b)).

於二零一四年十二月三十一日，本集團一棟賬面淨值約為人民幣20,576,000元(二零一三年：零)之樓宇作為授予本集團銀行貸款之擔保(附註24(b))。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租賃款項

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	23,790	24,336
Additions during the year	於年內添置	4,650	—
Recognised during the year	於年內確認	(597)	(546)
Carrying amount at 31 December	於十二月三十一日的賬面值	27,843	23,790
Less: Current portion included in prepayments, deposits and other receivables	減：計入預付款項、按金及其他應收款項的流動部分	(647)	(546)
Non-current portion	非流動部分	27,196	23,244

The leasehold land is situated in Mainland China and is held under a long term lease.

租賃土地位於中國內地，並根據長期租約持有。

A leasehold land of the Group with an aggregate carrying amount of approximately RMB11,485,000 as at 31 December 2014 (2013: Nil) has been pledged to secure bank loans granted to the Group (note 24(b)).

於二零一四年十二月三十一日，本集團一幅賬面總值約為人民幣11,485,000元(二零一三年：零)之租賃土地作為授予本集團銀行貸款之擔保(附註24(b))。

17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司之投資

Company	本公司	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Investments in subsidiaries*	於附屬公司之投資*	—	—

* Investments in subsidiaries mainly represented the investment cost in Lao Heng He Group Limited of HK\$1 (equivalent to approximately RMB1).

* 於附屬公司之投資主要指於老恒和集團有限公司的投資成本1港元(相當於約人民幣1元)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

17. INVESTMENTS IN SUBSIDIARIES (Continued) 17. 於附屬公司之投資(續)

Company (Continued)

The amount due from a subsidiary included in the Company's current assets as at 31 December 2014 of RMB699,757,000 (2013: RMB461,000) and the amount due to a subsidiary included in the Company's current liabilities as at 31 December 2013 of RMB20,951,000, are unsecured, interest-free and repayable on demand.

Particulars of the subsidiaries are as follows:

Name 名稱	Place and date of incorporation/establishment and place of operations 註冊成立/成立地點及日期及經營地點	Nominal value of issued/registered share capital 已發行/註冊股本面值	Percentage of equity attributable to the Company 應佔本公司權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Lao Heng He Group Limited 老恒和集團有限公司	Hong Kong 13 December 2012 香港 二零一二年十二月十三日	HK\$1 1港元	100	—	Investment holding 投資控股
Huzhou Chenshi Tian Niang Co., Limited* 湖州陳氏天釀實業有限公司*	PRC/Mainland China 5 February 2013 中國/中國內地 二零一三年二月五日	HK\$14,250,000 14,250,000港元	—	100	Wholesale of condiment products 批發調味品
Huzhou Cheng De Trading Co., Limited* 湖州成德貿易有限公司*	PRC/Mainland China 26 March 2014 中國/中國內地 二零一四年三月二十六日	RMB400,000,000 人民幣 400,000,000元	—	100	Wholesale of condiment products 批發調味品
Zhejiang Changxing Sanhetang Trading Co., Limited* 浙江長興三和堂貿易有限公司*	PRC/Mainland China 14 October 2014 中國/中國內地 二零一四年十月十四日	RMB200,000,000 人民幣 200,000,000元	—	100	Wholesale of condiment products 批發調味品
Huzhou Laohenghe Brewery Co., Limited* 湖州老恒和釀造有限公司*	PRC/Mainland China 6 June 2005 中國/中國內地 二零零五年六月六日	RMB11,000,000 人民幣 11,000,000元	—	100	Manufacture and sale of condiment products 生產及銷售調味品
Huzhou Laohenghe Wine Co., Limited* 湖州老恒和酒業有限公司*	PRC/Mainland China 20 July 2010 中國/中國內地 二零一零年七月二十日	RMB38,000,000 人民幣 38,000,000元	—	100	Manufacture and sale of condiment products 生產及銷售調味品

* There subsidiaries are not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

本公司(續)

於二零一四年十二月三十一日，計入本公司流動資產的應收附屬公司款項人民幣699,757,000元(二零一三年：人民幣461,000元)及於二零一三年十二月三十一日計入本公司流動負債的應付附屬公司款項人民幣20,951,000元，為無抵押、免息及按要求償還。

附屬公司詳情如下：

Name 名稱	Place and date of incorporation/establishment and place of operations 註冊成立/成立地點及日期及經營地點	Nominal value of issued/registered share capital 已發行/註冊股本面值	Percentage of equity attributable to the Company 應佔本公司權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Lao Heng He Group Limited 老恒和集團有限公司	Hong Kong 13 December 2012 香港 二零一二年十二月十三日	HK\$1 1港元	100	—	Investment holding 投資控股
Huzhou Chenshi Tian Niang Co., Limited* 湖州陳氏天釀實業有限公司*	PRC/Mainland China 5 February 2013 中國/中國內地 二零一三年二月五日	HK\$14,250,000 14,250,000港元	—	100	Wholesale of condiment products 批發調味品
Huzhou Cheng De Trading Co., Limited* 湖州成德貿易有限公司*	PRC/Mainland China 26 March 2014 中國/中國內地 二零一四年三月二十六日	RMB400,000,000 人民幣 400,000,000元	—	100	Wholesale of condiment products 批發調味品
Zhejiang Changxing Sanhetang Trading Co., Limited* 浙江長興三和堂貿易有限公司*	PRC/Mainland China 14 October 2014 中國/中國內地 二零一四年十月十四日	RMB200,000,000 人民幣 200,000,000元	—	100	Wholesale of condiment products 批發調味品
Huzhou Laohenghe Brewery Co., Limited* 湖州老恒和釀造有限公司*	PRC/Mainland China 6 June 2005 中國/中國內地 二零零五年六月六日	RMB11,000,000 人民幣 11,000,000元	—	100	Manufacture and sale of condiment products 生產及銷售調味品
Huzhou Laohenghe Wine Co., Limited* 湖州老恒和酒業有限公司*	PRC/Mainland China 20 July 2010 中國/中國內地 二零一零年七月二十日	RMB38,000,000 人民幣 38,000,000元	—	100	Manufacture and sale of condiment products 生產及銷售調味品

* 該等附屬公司未經香港安永會計師事務所或安永國際網絡其他成員公司審核。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

17. INVESTMENTS IN SUBSIDIARIES (Continued)

Company (Continued)

The English names of the Company's subsidiaries registered in Mainland China represent the translated names of these companies as no English names have been registered.

17. 於附屬公司之投資(續)

本公司(續)

於中國內地註冊之本公司附屬公司之英文名稱為該等公司中文名稱之翻譯，概無註冊英文名稱。

18. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	成品

18. 存貨

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
	13,908	7,155
	782,719	311,053
	33,861	8,444
	830,488	326,652

At 31 December 2014, the Group's inventories with a carrying amount of RMB117,530,000 (2013: RMB70,277,000) were pledged to secure bank loans granted to the Group, as further detailed in note 24(b) to the financial statements.

於二零一四年十二月三十一日，本集團抵押賬面值為人民幣117,530,000元(二零一三年：人民幣70,277,000元)的存貨，作為授予本集團銀行貸款的擔保，進一步詳情載於財務報表附註24(b)。

19. TRADE RECEIVABLES

Trade receivables	應收貿易款項
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19. 應收貿易款項

	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
	187,900	88,939

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

19. TRADE RECEIVABLES (Continued)

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within 1 month	1個月以內	86,375	47,774
1 to 3 months	1至3個月	81,517	36,384
3 to 6 months	3至6個月	16,382	4,357
6 months to 1 year	6個月至1年	3,380	402
Over 1 year	1年以上	246	22
		187,900	88,939

An aged analysis of the trade receivables, based on the credit terms, that are neither individually nor collectively considered to be impaired, is as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Neither past due nor impaired	既無逾期亦無減值	167,891	81,549
Less than 3 months past due	逾期少於3個月	16,382	6,947
3 to 6 months	3至6個月	3,164	251
6 months to 1 year	6個月至1年	229	170
Over 1 year	1年以上	234	22
		187,900	88,939

19. 應收貿易款項(續)

本集團與客戶間的貿易條款以信貸交易為主。信貸期通常為一至三個月。

本集團致力對尚未收回的應收賬款維持嚴格監管，而過期未付之賬款亦由高級管理層定期檢討。應收貿易款項為不計息。

本集團於報告期末應收貿易款項按發票日期的賬齡分析如下：

個別及組合評估均不視為已減值的應收貿易款項按信用期限的賬齡分析如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

19. TRADE RECEIVABLES (Continued)

The trade receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

The trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

19. 應收貿易款項(續)

尚未逾期亦無減值的應收貿易款項與數名不同客戶有關，彼等於近期並無違約行為記錄。

已逾期惟並無減值的應收貿易款項與數名客戶有關，彼等於本集團之付款記錄良好。根據以往經驗，董事認為其信貸質素並無重大改變，且此等結餘仍視為可全數收回，因此毋須就此等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品或採取其他改善信貸條件的措施。

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

20. 預付款項、按金及其他應收款項

上述資產概無逾期或減值。上述結餘所列金融資產涉及無近期違約記錄之應收款項。

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Prepayments	預付款項	68,005	40,479
Deposits and other receivables	按金及其他應收款項	99,150	24,099
		167,155	64,578

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

21. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

21. 現金及現金等價物及定期存款

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	218,466	44,011
Time deposits	定期存款	1,820	20
		220,286	44,031
Less:	減：		
Non-pledged time deposits with original maturity of over six months when acquired	於獲得時原於六個月後到期的無質押定期存款	(1,820)	(20)
Cash and cash equivalents	現金及現金等價物	218,466	44,011

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB159,556,000 (2013: RMB43,912,000). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣計值的現金及銀行結餘為人民幣159,556,000元（二零一三年：人民幣43,912,000元）。人民幣不能自由兌換成其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務的銀行將人民幣兌換成其他貨幣。

銀行現金按根據每日銀行存款利率計算的浮動利率賺取利息。銀行結餘及定期存款乃存於近期並無拖欠賬款紀錄之信用良好的銀行。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

22. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within 3 months	3個月以內	102,149	68,090
3 to 6 months	3至6個月	31,924	25,285
Over 6 months	6個月以上	41,535	12,516
		175,608	105,891

Trade payables of the Group are non-interest-bearing and are normally settled on terms of one to three months. The carrying amounts of the trade payables approximate to their fair values.

22. 應付貿易款項

於報告期末應付貿易款項按發票日期的賬齡分析如下：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within 3 months	3個月以內	102,149	68,090
3 to 6 months	3至6個月	31,924	25,285
Over 6 months	6個月以上	41,535	12,516
		175,608	105,891

本集團應付貿易款項不計利息且通常須於一至三個月內結清。應付貿易款項的賬面值與其公平值相若。

23. OTHER PAYABLES AND ACCRUALS

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Advances from customers	預收賬款	2,906	2,619
Other payables	其他應付款項	49,612	39,149
Accruals	應計項目	5,826	8,692
		58,344	50,460

All these balances are non-interest-bearing and other payables have an average term of three months.

23. 其他應付款項及應計項目

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Advances from customers	預收賬款	2,906	2,619
Other payables	其他應付款項	49,612	39,149
Accruals	應計項目	5,826	8,692
		58,344	50,460

所有該等結餘均不計息，其他應付款項平均期限為三個月。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

24. 計息銀行及其他借款

		2014 二零一四年			2013 二零一三年		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
Current	即期						
Bank borrowings — secured	銀行借款 — 有抵押	2015 5.80-7.20	二零一五年	308,760	2014 6.00-8.53	二零一四年	228,000
Other borrowings — secured	其他借款 — 有抵押			—	2014 19.20	二零一四年	5,000
				308,760			233,000
Non-current	非即期						
Bank borrowings — secured	銀行借款 — 有抵押	2016-2017 6.00-6.46	二零一六年至 二零一七年	109,000			—
				417,760			233,000
Analysed into:	分析如下:						
Bank borrowings repayable:	應償還銀行 借款:						
Within one year	於一年內			308,760			228,000
In the second year	第二年內			49,000			—
In the third to fifth years, inclusive	第三年至 第五年內 (包括首尾兩年)			60,000			—
				417,760			228,000
Other borrowings repayable:	其他應償還 借款:						
Within one year	於一年內			—			5,000
				417,760			233,000

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) The Group's banking facilities amounted to RMB717,000,000 (2013: RMB293,000,000) of which RMB417,760,000 (2013: RMB228,000,000) had been utilised.
- (b) At the end of the reporting period, certain of the Group's assets were pledged to banks and other lenders for securing the bank loans and other borrowings granted to the Group.

The carrying values of these assets are:

		Notes 附註	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Property, plant, and equipment	物業、廠房及設備	15	20,576	—
Leasehold land	租賃土地	16	11,485	—
Inventories	存貨	18	117,530	70,277
			149,591	70,277

All the Group's bank and other borrowings are denominated in RMB. The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

24. 計息銀行及其他借款(續)

附註：

- (a) 本集團銀行融資額度為人民幣717,000,000元(二零一三年：人民幣293,000,000元)，並已動用其中的人民幣417,760,000元(二零一三年：人民幣228,000,000元)。
- (b) 於報告期末，本集團若干資產抵押予銀行及其他借貸方，作為授予本集團銀行貸款或其他借款之擔保。

該等資產之賬面值為：

本集團所有銀行及其他借款均以人民幣計值。本集團銀行及其他借款的賬面值與其公平值相若。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

25. 遞延稅項

遞延稅項負債及資產於年內之變動如下：

		Unrealised profit/(loss) on inventories 未實現存貨 利潤/(虧損) RMB'000 人民幣千元	Withholding tax on distributable dividends 有關可分派 股息之預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	(979)	(3,427)	(4,406)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	年內於損益表計入/ (扣除)之遞延稅項 (附註11)	979	(5,324)	(4,345)
Gross deferred tax liabilities as at 31 December 2013 and 1 January 2014	於二零一三年 十二月三十一日及 二零一四年一月一日 之遞延稅項負債總額	—	(8,751)	(8,751)
Deferred tax credited to the statement of profit or loss during the year (note 11)	年內於損益表計入之 遞延稅項(附註11)	327	—	327
Net deferred tax liabilities as at 31 December 2014	於二零一四年 十二月三十一日 之遞延稅項負債淨額	327	(8,751)	(8,424)

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

25. DEFERRED TAX (Continued)

Pursuant to the Corporate Income Tax Law of the People's Republic of China, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2014, the Group has not recognised deferred tax liabilities of RMB42,267,000 (2013: RMB20,532,000) in respect of temporary differences relating to the unremitted profits of subsidiaries amounting to RMB382,632,000 (2013: RMB205,323,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

25. 遞延稅項(續)

根據中華人民共和國企業所得稅法，於中國內地成立的外商投資企業向境外投資者所宣派的股息須繳納10%預扣稅。有關規定自二零零八年一月一日起生效，且適用於二零零七年十二月三十一日後之盈利。倘中國內地與境外投資者所屬的司法權區訂立稅務條約，則可能享有較低的預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就於中國內地成立之該等附屬公司於二零零八年一月一日起產生之盈利所分派之股息繳付預扣稅。

於二零一四年十二月三十一日，有關附屬公司未匯出利潤之暫時性差異為人民幣382,632,000元(二零一三年：人民幣205,323,000元)，惟由於本公司控制該等附屬公司的股息政策，而該等利潤於可見將來可能不會獲得分派，故本集團並無就分派此等保留利潤可能應付之稅項確認遞延稅項負債人民幣42,267,000元(二零一三年：人民幣20,532,000元)。

本公司向其股東派付的股息對所得稅並無影響。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

26. OTHER LONG TERM LIABILITIES

As at 31 December 2014, the actuarial liabilities existing in relation to the retirement benefit obligations for employees who retired prior to the acquisition of Huzhou Laohenghe Brewery Co., Limited by the controlling shareholders and the early retirement obligations for employees who early retired were RMB4,684,000 (2013: RMB4,862,000). The benefit obligations arising from the plans were unfunded.

(a) The movements of the actuarial liabilities recognised in the statement of financial position are as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初的賬面值	4,862	5,053
Benefits paid	已付福利	(178)	(191)
As at end of year	於年終	4,684	4,862

(b) The discount rates and the principal actuarial assumptions for the above obligations are as follows:

		2014 二零一四年	2013 二零一三年
Discount rates:	貼現率:		
Medical benefits	醫療福利	4%	5%
Survivor pension	撫恤金	3.5%-3.8%	4.5%-4.8%
Average annual benefit increase:	年度平均福利增加:		
Medical benefits	醫療福利	0%-4%	0%-4%
Survivor pension	撫恤金	15%	15%

26. 其他長期負債

於二零一四年十二月三十一日，有關於控股股東收購湖州老恒和釀造有限公司前退休的僱員的退休福利責任及提早退休僱員的提早退休責任而存在的精算負債為人民幣4,684,000元(二零一三年：人民幣4,862,000元)。計劃產生的福利責任為未置存基金。

(a) 於財務狀況表內按精算方法計算確認的負債變動如下：

(b) 上述責任的貼現率及主要精算假設如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

27. SHARE CAPITAL

27. 股本

Shares

股份

		2014 二零一四年 US\$'000 千美元	2013 二零一三年 US\$'000 千美元
Authorised:	法定：		
1,000,000,000 (2013: 1,000,000,000) ordinary shares of US\$0.0005 each	1,000,000,000 股 (二零一三年：1,000,000,000 股) 每股0.0005美元的普通股	500	500
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
518,750,000 (2013: 1,000,000,000) ordinary shares of US\$0.0005 each	518,750,000 股 (二零一三年：1,000,000,000 股) 每股0.0005美元的普通股	1,584	31

The movements in share capital were as follows:

股本變動如下：

- (a) At the date of incorporation of the Company, its authorised share capital was US\$50,000 divided into 100,000,000 shares at a par value of US\$0.0005 each.
- (b) Pursuant to an ordinary resolution passed on 17 December 2013, the authorised share capital of the Company was increased from US\$50,000 to US\$500,000 by the creation of 900,000,000 additional shares of US\$0.0005 each, ranking *pari passu* in all respects with the existing shares of the Company.

- (a) 於本公司註冊成立之日，其法定股本為50,000美元，分為100,000,000股每股面值0.0005美元的股份。
- (b) 根據於二零一三年十二月十七日通過的一項普通決議案，本公司的法定股本藉增設900,000,000股每股面值0.0005美元的額外股份由50,000美元增加至500,000美元，在所有方面與本公司現有股份享有同等權益。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

27. SHARE CAPITAL (Continued)

- (c) On 28 January 2014, the Company was successfully listed on the SEHK by issuing 125,000,000 shares of US\$0.0005 each at HK\$7.15 per share. As part of the Listing, 365,000,000 shares were issued by way of capitalisation of share premium on the proceeds from the issue of 125,000,000 shares as stated in share capital as detailed in the Prospectus.

Following the issuance of 490,000,000 shares as described above, the Company's issued shares increased from 10,000,000 shares of US\$0.0005 each to 500,000,000 shares of US\$0.0005 each. On the date of the Listing, the Company had 500,000,000 issued shares of US\$0.0005 each.

- (d) On 18 February 2014, the Company allotted and issued 18,750,000 additional shares of US\$0.0005 each at HK\$7.15 per share pursuant to the exercise of the over-allotment options by the international underwriter. On the date of approval of the financial statements, the Company had 518,750,000 issued shares of US\$0.0005 each.

27. 股本(續)

- (c) 於二零一四年一月二十八日，本公司按每股7.15港元發行125,000,000股每股面值0.0005美元之股份，於香港聯交所成功上市。如招股章程所詳述之股本所載，作為上市的一部分，透過對發行125,000,000股股份之所得款項之相關股份溢價進行資本化的方式，發行365,000,000股股份。

於發行上述490,000,000股股份後，本公司已發行股份由10,000,000股每股面值0.0005美元之股份增加至500,000,000股每股面值0.0005美元之股份。於上市日期，本公司擁有500,000,000股每股面值0.0005美元之已發行股份。

- (d) 於二零一四年二月十八日，根據國際包銷商行使超額配股權，本公司按每股7.15港元配發及發行18,750,000股每股面值0.0005美元之額外股份。於批准財務報表日期，本公司擁有518,750,000股每股面值0.0005美元之已發行股份。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

27. SHARE CAPITAL (Continued)

27. 股本(續)

(e) A summary of the transactions during the period with reference to the above movements in the Company's issued share capital is as follows:

(e) 參照上述本公司已發行股本變動的期內交易概述如下：

		Number of shares in issue 已發行 股份數目	Issued capital 已發行股本 RMB'000 人民幣千元	Share premium account 股份溢價賬 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年 一月一日	10,000,000	31	—	31
At 31 December 2013 and 1 January 2014	於二零一三年 十二月三十一日 及二零一四年 一月一日	10,000,000	31	—	31
Capitalization issue (note (c))	資本化發行 (附註(c))	365,000,000	1,114	—	1,114
Issue of shares in connection with the Listing and exercise of the over-allotment options (notes (c) and (d))	就上市發行股份及 行使超額配股權 (附註(c)及(d))	143,750,000	439	806,694	807,133
Proposed final 2014 dividend (note 13)	建議二零一四年 期末股息 (附註13)	—	—	(51,875)	(51,875)
		518,750,000	1,584	754,819	756,403
Share issue expenses	股份發行開支	—	—	(37,205)	(37,205)
At 31 December 2014	於二零一四年 十二月三十一日	518,750,000	1,584	717,614	719,198

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

27. SHARE CAPITAL (Continued)

Warrants

On 2 September 2014, the Company successfully issued 100,000,000 warrants to an independent third party at a warrant subscription price of HK\$0.1 per warrant, the aggregate proceeds of which amounting to HK\$10,000,000 (equivalent to approximately RMB7,959,100).

The warrants entitle the subscriber to subscribe for a total of 100,000,000 warrant shares at the warrant exercise price of HK\$8.0 per warrant share at any time during a period of 12 months commencing from the completion date of the subscription of the warrants. During the year, no warrants were exercised. The proceeds from warrants placing of HK\$10,000,000 (equivalent to approximately RMB7,959,100), were recorded as a component of shareholders' equity in warrant reserve. Subsequent to the end of the reporting period, no warrants were exercised.

28. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Merger reserve

The merger reserve represents the difference between the Company's share of the nominal value of the paid-up capital of the subsidiaries acquired over the Company's cost of acquisition of the subsidiaries under the principles of the pooling-of-interests method.

(b) Capital reserve

Capital reserve arose from the capital contribution by the controlling shareholders of the Company.

(c) Statutory surplus reserve

Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

(d) Warrants reserve

Warrants reserve represents the proceeds received from the placing of unlisted warrants of the Group.

27. 股本(續)

認股權證

於二零一四年九月二日，本公司成功向一名獨立第三方以認股權證認購價每份認股權證0.1港元發行100,000,000份認股權證，其所得款項總額合共為10,000,000港元(相當於約人民幣7,959,100元)。

認股權證賦予認購人權利，於完成認購認股權證當日起計12個月期間之任何時間內，按認股權證行使價每股認股權證股份8.0港元認購合共100,000,000股認股權證股份。於年內，概無認股權證獲行使。配售認股權證之所得款項10,000,000港元(相當於約人民幣7,959,100元)於認股權證撥備中紀錄為股東權益部分。於報告期間結束後，概無認股權證獲行使。

28. 儲備

本集團

本集團於本年度及過往年度的儲備金額及其變動於財務報表的綜合權益變動表內呈列。

(a) 合併儲備

合併儲備指根據權益合併法原則本公司應佔所收購附屬公司的繳足股本面值超出本公司收購附屬公司的成本的差額。

(b) 資本儲備

資本儲備乃由來自本公司控股股東的注資產生。

(c) 法定盈餘儲備

自保留利潤轉撥至法定盈餘儲備乃遵照中國有關法規及規例以及本公司於中國成立的附屬公司的組織章程細則進行，並經相關董事會批准。

(d) 認股權證儲備

認股權證儲備指來自配售本集團非上市認股權證之所得款項。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

28. RESERVES (Continued)

Company

The amounts of the Company's reserves and the movements therein for the reporting period are presented as follows:

		Share premium account	Warrant reserve	Exchange fluctuation reserve	Accumulated losses	Total
		股份 溢價賬 RMB'000 人民幣千元	認股權證 儲備 RMB'000 人民幣千元	匯兌波動 儲備 RMB'000 人民幣千元	累計虧損 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年 一月一日	—	—	—	(1,750)	(1,750)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	(19,202)	(19,202)
Proposed final 2013 dividend	建議二零一三年 期末股息	—	—	—	(43,056)	(43,056)
At 31 December 2013 and 1 January 2014	於二零一三年 十二月三十一日 及二零一四年 一月一日	—	—	—	(64,008)	(64,008)
Total comprehensive income/(loss) for the year	年度全面收入/ (虧損)總額	—	—	2,929	(9,713)	(6,784)
Issue of shares in connection of the Listing	就上市發行之股份	806,694	—	—	—	806,694
Share issue expenses	股份發行開支	(37,205)	—	—	—	(37,205)
Net proceeds from issue of warrants	發行認股權證所得 款項淨額	—	7,959	—	—	7,959
Proposed final 2014 dividend	建議二零一四年 期末股息	(51,875)	—	—	—	(51,875)
At 31 December 2014	於二零一四年 十二月三十一日	717,614	7,959	2,929	(73,721)	654,781

28. 儲備(續)

本公司

本公司於報告期間的儲備金額及其變動呈列如下：

29. PLEDGE OF ASSETS

Details of the Group's bank loans which are secured by the assets of the Group are included in note 24(b) to the financial statements.

29. 資產質押

有關以本集團資產作抵押的本集團銀行貸款的詳情載於財務報表附註24(b)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

30. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its properties and equipment under operating lease arrangements. Leases for properties and equipment are negotiated for terms ranging between one and ten years.

At 31 December 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Within one year	一年內	791	369
In the second to fifth years, inclusive	第二年至第五年內(包括首尾兩年)	2,200	1,104
After five years	五年後	1,884	336
		4,875	1,809

30. 經營租賃安排

本集團根據經營租賃安排租用若干物業及設備。物業及設備的協定租期介乎一至十年。

於二零一四年十二月三十一日，本集團根據到期之不可撤銷經營租賃支付之未來最低租賃款項總額如下：

31. COMMITMENTS

In addition to the operating lease commitments detailed in note 30 above, the Group had the following capital commitments at the end of the reporting period:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未計提撥備：		
Plant and machinery	廠房及機器	16,406	3,948
Advertising contracts	廣告合同	—	10,258
		16,406	14,206

31. 承擔

除上文附註30所詳述的經營租賃承擔外，本集團於報告期末擁有下列資本承擔：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

32. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties

As disclosed in the consolidated statement of financial position, the Group had no outstanding balance due to its ultimate holding company (2013: RMB461,000) as at the end of the reporting period.

(b) Compensation for key management personnel (including directors' remuneration) of the Group:

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	523	432
Performance related bonuses	表現相關之花紅	620	—
Pension scheme contributions	退休金計劃供款	44	29
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	1,187	461

Further details of directors' emoluments are included in note 9 to the financial statements.

(c) On 1 January 2013, Chen Weizhong and Huzhou Laohenghe Brewery Co., Limited entered into a licensing agreement, whereby Chen Weizhong agreed to grant Huzhou Laohenghe Brewery Co., Limited and its subsidiary and any future newly set up subsidiaries an exclusive right to use Chen Weizhong's trade-secret cooking wines recipes for no consideration. On 23 August 2013, Mr. Chen entered into a recipes transfer agreement with Huzhou Laohenghe Brewery Co., Limited to transfer the trade-secret cooking wines recipes to Huzhou Laohenghe Brewery Co., Limited for a consideration of RMB1.

32. 關聯方交易

(a) 與關聯方之未償還結餘

誠如綜合財務狀況表所披露，於報告期末，本集團概無應付其最終控股公司之未償還結餘(二零一三年：人民幣461,000元)。

(b) 本集團主要管理人員的酬金(包括董事酬金)：

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	523	432
Performance related bonuses	表現相關之花紅	620	—
Pension scheme contributions	退休金計劃供款	44	29
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	1,187	461

有關董事酬金的進一步詳情載於財務報表附註9。

(c) 於二零一三年一月一日，陳衛忠與湖州老恒和釀造有限公司訂立一項許可協議，據此，陳衛忠同意授予湖州老恒和釀造有限公司、其附屬公司及任何未來新成立的附屬公司獨家權利，可無償使用陳衛忠的料酒的商業秘密配方。於二零一三年八月二十三日，陳先生與湖州老恒和釀造有限公司訂立一項配方轉讓協議，以對價人民幣1元向湖州老恒和釀造有限公司轉讓料酒的商業秘密配方。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Group

Financial assets

		2014 二零一四年 Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	2013 二零一三年 Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元
Trade receivables	應收貿易款項	187,900	88,939
Financial assets included in deposits and other receivables	計入按金及其他應收款項的金融資產	23,413	228
Time deposits	定期存款	1,820	20
Cash and cash equivalents	現金及現金等價物	218,466	44,011
		431,599	133,198

Financial liabilities

33. 按類別劃分的金融工具

各類金融工具於報告期末之賬面值如下：

本集團

金融資產

		2014 二零一四年 Financial liabilities at amortised cost 按攤銷成本列 賬的金融負債 RMB'000 人民幣千元	2013 二零一三年 Financial liabilities at amortised cost 按攤銷成本列 賬的金融負債 RMB'000 人民幣千元
Trade payables	應付貿易款項	175,608	105,891
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	42,027	22,133
Interest-bearing bank and other borrowings	計息銀行及其他借款	417,760	233,000
Due to the ultimate holding company	應付最終控股公司款項	—	461
		635,395	361,485

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

33. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Company

Financial assets

		2014 二零一四年	2013 二零一三年
		Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元
Financial assets included in deposits, and other receivables	計入按金及其他應收款項 的金融資產	1,455	—
Amount due from a subsidiary	應收一間附屬公司款項	699,757	461
Cash and cash equivalents	現金及現金等價物	7,076	30
		708,288	491

Financial liabilities

金融負債

		2014 二零一四年	2013 二零一三年
		Financial liabilities at amortised cost 按攤銷成本列 賬的金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本列 賬的金融負債 RMB'000 人民幣千元
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的 金融負債	48	—
Amounts due to a subsidiary	應付一間附屬公司款項	—	20,951
Amounts due to the ultimate holding company	應付最終控股公司款項	—	461
		48	21,412

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, an amount due from a director, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk

The major concentration of credit risk arises from the Group's exposure to a substantial number of trade receivables, other receivables, time deposits, and cash and cash equivalents.

Trade receivables are typically unsecured and derived from revenue earned from customers in the PRC, which are exposed to credit risk. The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and has strict control over credit limits of trade and other receivables. In addition, the balance of trade receivables is monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in notes 19 and 20 above.

Cash and time deposits are mainly deposited with registered banks in Mainland China. The Group has policies to limit its credit exposure to any financial institutions and management believes these financial institutions are of high credit quality.

The carrying amounts of trade receivables, other receivables, time deposits, and cash and cash equivalents included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group has no other financial assets which carry significant exposure to credit risk.

34. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行及其他借款、應收一名董事款項以及現金及現金等價物。該等金融工具的主要目的是為本集團的營運籌措資金。本集團有多種直接自其業務營運產生的其他金融資產及負債，如應收貿易款項及應收票據以及應付貿易款項。

本集團金融工具產生的主要風險為信用風險及流動性風險。董事檢討及議定管理各項風險的政策，有關政策概述如下。

信用風險

信用風險主要集中在本集團所面臨的大量應收貿易款項、其他應收款項、定期存款及現金及現金等價物產生的風險。

應收貿易款項一般為無抵押及來自賺取中國客戶的收入，惟面臨信用風險。本集團已制定相關政策確保產品出售予有適當信用額度的客戶，且嚴格控制應收貿易款項及其他應收款項的信用額度。此外，本集團持續監察應收貿易款項結餘的情況，而本集團的壞賬風險並不重大。有關本集團因應收貿易款項及其他應收款項產生的信用風險的進一步數據已於上文附註19及20披露。

現金及定期存款主要存於中國內地的註冊銀行。本集團制訂了限制其面臨因任何金融機構引致的信用風險的政策，且管理層認為該等金融機構具有良好的信用質素。

計入綜合財務狀況表的應收貿易款項、其他應收款項、定期存款以及現金及現金等價物的賬面值為本集團有關其金融資產的最大信用風險。本集團概無其他面臨重大信用風險的金融資產。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through capital contribution and bank borrowings.

The maturity profile of financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

At 31 December 2014

		On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
		於要求時 RMB'000 人民幣千元	三個月內 RMB'000 人民幣千元	至十二個月 RMB'000 人民幣千元	至五年 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Trade payables	應付貿易款項	73,459	102,149	—	—	175,608
Financial liabilities included in other payables and accruals	計入其他應付 款項及應計 項目的金融 負債	—	42,027	—	—	42,027
Interest-bearing bank and other borrowings	計息銀行及 其他借款	—	26,590	302,753	116,300	445,643
		73,459	170,766	302,753	116,300	663,278

34. 財務風險管理目標及政策(續)

流動性風險

本集團的政策為保持充裕的現金及現金等價物並透過注資及銀行借款取得資金。

於報告期末，按已訂約但未貼現付款為基礎的金融負債的到期情況如下：

於二零一四年十二月三十一日

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	於要求時 RMB'000 人民幣千元	三個月內 RMB'000 人民幣千元	至十二個月 RMB'000 人民幣千元	至五年 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Trade payables	73,459	102,149	—	—	175,608
Financial liabilities included in other payables and accruals	—	42,027	—	—	42,027
Interest-bearing bank and other borrowings	—	26,590	302,753	116,300	445,643
	73,459	170,766	302,753	116,300	663,278

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

At 31 December 2013

		On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
		於要求時	三個月內	三個月至十二個月	一年至五年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	應付貿易款項	37,801	68,090	—	—	105,891
Financial liabilities included in other payables and accruals	計入其他應付款項及應計項目的金融負債	—	11,133	11,000	—	22,133
Interest-bearing bank and other borrowings	計息銀行及其他借款	—	37,534	203,390	—	240,924
Due to the ultimate holding company	應付最終控股公司款項	461	—	—	—	461
		38,262	116,757	214,390	—	369,409

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

34. 財務風險管理目標及政策(續)

流動性風險(續)

於二零一三年十二月三十一日

資本管理

本集團資本管理的主要目標為確保本集團持續經營能力以及維持穩健的資本比率，以支持其業務及為股東爭取最大的價值。本集團考慮經濟狀況的轉變，以管理及調整其資本架構。為維持或調整資本架構，本集團或會調整支付予股東的股息、退回股本予股東或發行新股。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes trade payables, other payables and accruals, interest-bearing bank and other borrowings, an amount due to the ultimate holding company and other long term liabilities less cash and cash equivalents. Capital represents total equity of the Company. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting periods are as follows:

Group

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Trade payables	應付貿易款項	175,608	105,891
Other payables and accruals	其他應付款項及應計項目	58,344	50,460
Interest-bearing bank and other borrowings	計息銀行及其他借款	417,760	233,000
Due to the ultimate holding company	應付最終控股公司款項	—	461
Other long term liabilities	其他長期負債	4,684	4,862
Less: Cash and cash equivalents	減：現金及現金等價物	(218,466)	(44,011)
Net debt	淨債務	437,930	350,663
Total equity	總權益	1,254,404	296,326
Capital and net debt	資本及淨債務	1,692,234	646,989
Gearing ratio	資本負債比率	26%	54%

34. 財務風險管理目標及政策(續)

資本管理(續)

本集團採用資本負債比率監控資本，該比率按淨債務除以資本再加上淨債務計算。淨債務包括應付貿易款項、其他應付款項及應計項目、計息銀行及其他借款、應付最終控股公司款項以及其他長期負債減現金及現金等價物。資本指本公司的總權益。本集團的政策是將資本負債比率維持於合理的水平。於報告期末的資本負債比率如下：

本集團

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Trade payables	應付貿易款項	175,608	105,891
Other payables and accruals	其他應付款項及應計項目	58,344	50,460
Interest-bearing bank and other borrowings	計息銀行及其他借款	417,760	233,000
Due to the ultimate holding company	應付最終控股公司款項	—	461
Other long term liabilities	其他長期負債	4,684	4,862
Less: Cash and cash equivalents	減：現金及現金等價物	(218,466)	(44,011)
Net debt	淨債務	437,930	350,663
Total equity	總權益	1,254,404	296,326
Capital and net debt	資本及淨債務	1,692,234	646,989
Gearing ratio	資本負債比率	26%	54%

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 December 2014 二零一四年十二月三十一日

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2015.

35. 批准財務報表

董事會已於二零一五年三月二十七日批准及授權刊發財務報表。





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